Retirement Scheme

Product Disclosure Statement

1 October 2018

About the Product Disclosure Statement (PDS)

This PDS is issued by Energy Industries Superannuation Scheme Pty Limited ABN 72 077 947 285, RSE Licensee L0001373 and AFS Licence 441877 as trustee for Energy Industries Superannuation Scheme Pool A ABN 22 277 243 559, RSE R1004861 and Pool B ABN 64 322 090 181, RSE R1004878 ('the Scheme' or 'EISS'). This PDS relates to the offer of interests in Divisions B and C of Pool B. Throughout this document the Trustee may be referred to as 'EISS', 'EISS Super', 'the Trustee', 'we', 'us' or 'our'.

You should consider the PDS before making a decision about investing in the Retirement Scheme. This PDS refers to a particular product and is designed to assist you in making an informed decision about investing in the Retirement Scheme.

The information contained in this PDS is current as at the date of issue, is of a general nature only and does not take into account your personal financial objectives, situation or needs. You should consider obtaining financial, taxation and/or legal advice which is tailored to your personal circumstances before making a decision to invest in the Retirement Scheme.

The defined benefit component of your interest in the Retirement Scheme is calculated in accordance with a set formula and is not subject to investment risk. The Retirement Scheme Contributor Financed Benefit, Other Contributions (OC) Account and deferred member benefits contain investment-type features subject to investment risk including loss of income and capital invested. We do not guarantee the performance of the Retirement Scheme.

The offer in this PDS is only available to persons receiving this PDS in Australia (electronically or otherwise). Please note we are not required to accept an application.

Information contained in the PDS may change from time to time. Upon joining, any changes that are not materially adverse will be communicated to you via our regular member communications or via our website **eisuper.com.au**. You can also request a copy of any updated information at any time which will be provided to you free of charge by contacting us.

We're here to help

1300 369 901
between 8am and 8pm
(AEST) Monday to Friday

EISS Super
GPO Box 7039
Sydney NSW 2001

eisuper.com.au

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About the Scheme

The Scheme is a regulated and complying super fund that operates according to the provisions of the Trust Deed dated 30 June 1997, as amended. The Scheme is regulated primarily by the Superannuation Industry (Supervision) Act 1993 (Cth) and is also subject to regulation under the Superannuation Administration Act 1996 (NSW).

We are an APRA Registrable Superannuation Entity. We engage external experts such as accountants, actuaries, administrators, auditors, custodians, investment advisers, investment managers and lawyers to assist with our obligations.

You can find important information required to be disclosed under super law, including our Trust Deed and remuneration for executive officers and directors at **eisuper.com.au/governance-and-disclosures**.

EISS Super

Established in 1997, with origins dating back to 1919, we are committed to working hard for our members so they can enjoy the retirement lifestyle they deserve.

Historically, EISS was exclusively available to the energy industry in NSW. Then in 2013, we opened our fund to everyone so they could join a multi-award winning industry super fund, run only to benefit members. We are responsible for managing over $5.5 billion for more than 22,000 members.[1]

Retirement Scheme

The Retirement Scheme is for certain employees within the energy industry in NSW. Subject to limited exceptions specified in the Superannuation Administration Act 1996 (NSW), the Retirement Scheme is closed to new members.

The Retirement Scheme provides benefits in the event of your death, invalidity and on leaving employment with a Scheduled Employer.

If you are no longer employed by a Scheduled Employer, in certain circumstances you may retain your benefits in the Retirement Scheme as a deferred member.

Superannuation is a long term investment designed for retirement.

1 As at 30 June 2018.

1. How the Retirement Scheme works

Who can join?

The Retirement Scheme is closed to new members, except for:

- persons taking up employment with a Scheduled Employer, and as part of this employment, wish to transfer their membership in the State Authorities Superannuation Scheme (SASS) or the Local Government Retirement Scheme to the EISS Retirement Scheme; or
- certain members of the Retirement Scheme and the Defined Benefit Scheme who have suffered a 20% or more salary reduction and have taken up an option to defer their accrued benefit in their respective scheme.

Earlier Schemes

There are a number of 'special' provisions that apply to members who originally joined one of the schemes which preceded the establishment of SASS in 1988.

It is not possible to detail all of these provisions and members who originally joined one of these earlier schemes are advised to check with us as to which of the provisions might apply to them.

The earlier schemes and a summary of the provisions are outlined in the following table:

Earlier Schemes	Provisions
NSW Retirement Fund (NRF)	■ special contribution points up to age 45; ■ pension options under some circumstances; and ■ minimum benefits payable on death or invalidity.
Local Government Insurance Fund	■ minimum benefits payable on resignation, dismissal, discharge, retirement, death or invalidity.
Local Government Provident Fund	■ minimum benefits payable on resignation, dismissal, discharge, death or invalidity.
Local Government Benefits Fund	■ minimum benefits payable on retirement, death or invalidity; ■ some female members have a retirement age of 55; and ■ some former Sydney Electricity employees have a retirement age of 55.
Local Government Pension Fund	■ pension options under some circumstances; ■ minimum benefits payable on death or invalidity; ■ children's pensions payable on death; ■ additional benefits payable on death or invalidity under some circumstances; and ■ additional benefits payable to age 60 under some circumstances.
Public Authorities Superannuation Scheme (PASS)	■ additional benefits payable to age 60 under some circumstances.
State Public Service Superannuation Fund (SPSSF)	■ benefit points have higher nominal value of 3% of salary; ■ retirement age is 55; ■ maximum points to age 55 is 162 and thereafter a maximum of 6 points can be accrued per year up to age 58; and ■ maximum total points is 180.

How does your account work?

The Retirement Scheme is a split benefit scheme which contains both defined benefit and accumulation components. Generally, the Retirement Scheme pays a retirement benefit as a lump sum. During your membership, both you and your employer contribute to fund your eventual benefit, which is payable upon retirement or when you cease employment.

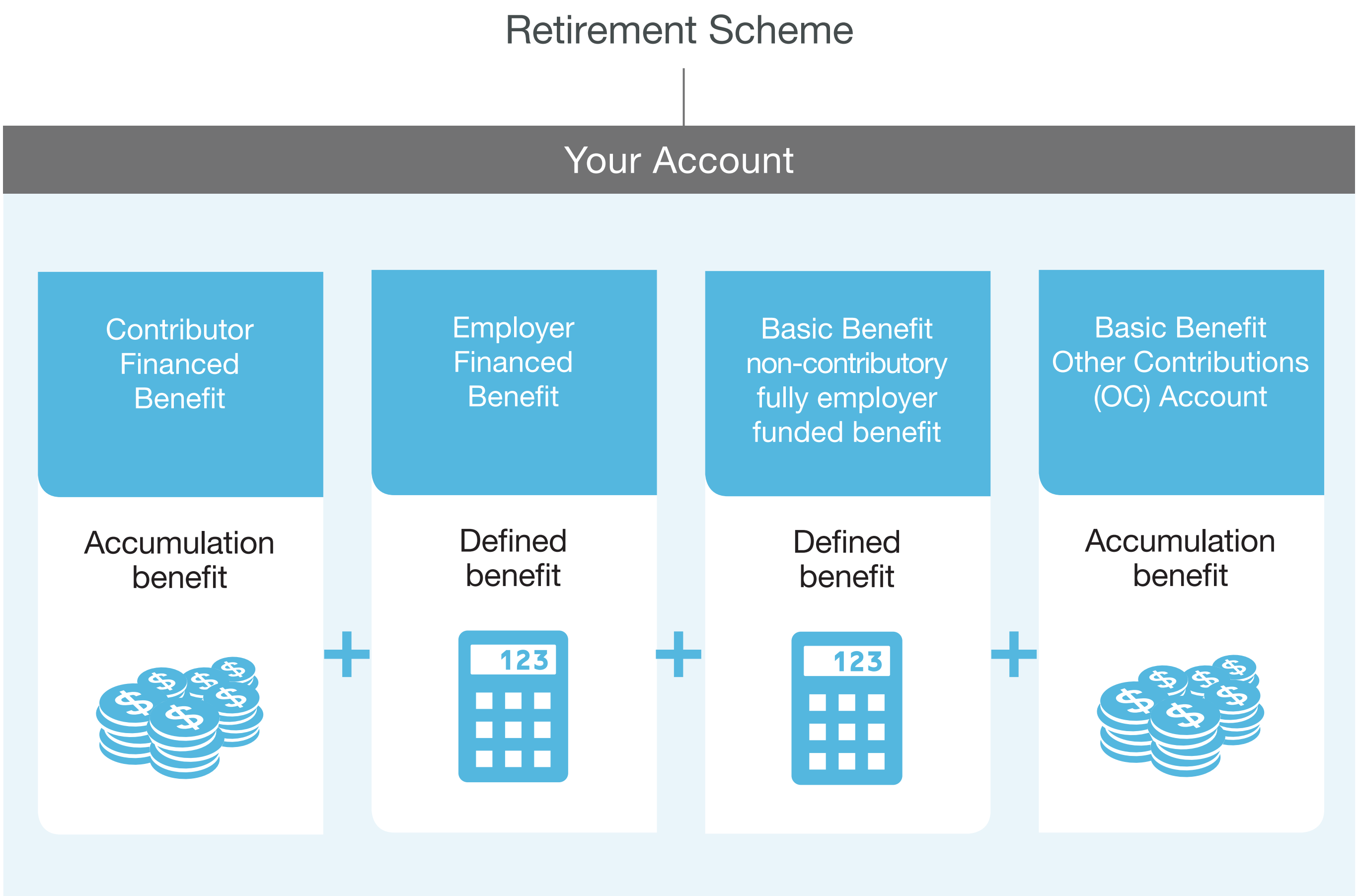
Your account consists of the following components:

- Contributor Financed Benefit – this is the member funded portion of your benefit and is the 1% to 9% of Superable Salary that you elect to contribute. This account is also used for the payment of any Administration Fees or Additional Benefit Cover that may be payable in relation to your membership. Please note, members must contribute in order to meet their defined benefit obligations; and
- Employer Financed Benefit – this is the employer funded portion of your benefit and is a defined benefit amount. The final amount payable to you will be calculated based on your reason for leaving employment with a Scheduled Employer, your Final Average Salary or Final Salary (depending on the circumstances of exit) and the number of benefit points you have accrued; and
- Basic Benefit – a non-contributory fully employer funded benefit: this is generally equal to 3% of either your Final Average Salary or Final Salary (depending on the circumstances of exit) for each year of service since 1 April 1988 (less 15% contributions tax from 1 July 1988); and
- Basic Benefit – Other Contributions (OC) Account: this is the accumulation component (if any) of your Basic Benefit. This account can be used for the purpose of making additional contributions and receiving rollover amounts from other super funds. This account is also able to accept Government co-contributions, spouse contributions and award contributions from employers. Please note, it is not compulsory to contribute to this account.

Exiting the Retirement Scheme

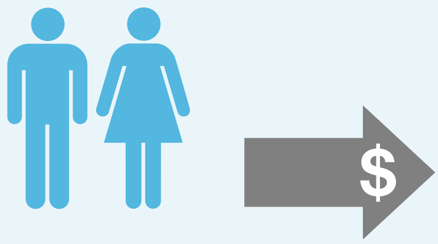
In accordance with the Retirement Scheme rules, you cannot generally leave the Retirement Scheme while you remain an eligible employee unless you attain age 65, in which case you can leave regardless of your employment status.

You cannot contribute to the Retirement Scheme once you reach age 70.



The Retirement Scheme is a split benefit scheme which contains both defined benefit and fund the eventual lump sum benefit, which is payable upon retirement or when you cease

Your



Member funded

Contributor Financed Benefit

The amount a member contributes is between 1% and 9% of their Superable Salary. The Contributor Financed Benefit is the cumulative total of a member's monthly defined contributions, plus investment earnings, less any fees and taxes.

Employer funded

Employer Financed Benefit

The amount an employer contributes is calculated by the Scheme's actuary and is based on future funding requirements. The Employer Financed Benefit is calculated based on the number of benefit points you have accrued and is a function of the length of your contributory membership and your Final Salary or Final Average Salary.

The benefit points system is the link between contributions to your Contributor Financed Benefit and the Employer Financed Benefit.

Benefit points system

For full-time employees, benefits are calculated in the following way:

- for each 1% of Superable Salary you contribute in a year, you generally accrue one (1) benefit point; and
- for most employment termination reasons, each benefit point you have accrued provides you with an Employer Financed Benefit of 2.5%[1] of either your Final Salary or Final Average Salary, depending on the circumstances of your exit. This employer component is subject to the 15% contributions tax from 1 July 1988.

For example, if by the Early Retirement Age (usually 58) you have contributed an average of 6% of Superable Salary over a period of 30 years, you would accrue 180 benefit points:

Contribution % rate	x	Length of contributory membership	=	Benefit points
6	x	30	=	180

The maximum number of benefit points is 180 and this provides the maximum Employer Financed Benefit of 4.5 times Final Average Salary (i.e. 180 x 2.5% = 4.5), less 15% contributions tax from 1 July 1988. Please note, that accrued rates may vary for members of some of the older schemes.

1 State Public Service Superannuation Fund is 3%.

This diagram is for illustrative purposes only, to show how the Retirement Scheme works generally. Your individual circumstances may differ. For further information, please contact us.

accumulation components. Contributing members and their employers make contributions to employment.

Account

Employer funded

Basic Benefit – non-contributory fully employer funded benefit

Generally, equal to 3% of either your Final Average Salary or Final Salary for each year of service (since 1 April 1988 or the date you joined your employer if later) less 15% contributions tax.

Final Average Salary or Final Salary x Years of Service from 1 April 1988 x 3%

For example, if your Final Average Salary is $100,000 and your service period is 25 years then:

= $100,000 x 25 x 3% = $75,000

= $75,000 less 15% contributions tax

= $75,000 – $11,250

= $63,750

Member funded

Basic Benefit – Other Contributions (OC) Account

This is an accumulation component which accepts top-up contributions, award contributions, Government co-contributions, spouse contributions and rollovers from other super funds.

The balance of your account is what you have contributed or rolled in plus any investment earnings.

Contributions

Personal contributions

As a member of the Retirement Scheme, you are required to contribute between 1% and 9% of your Superable Salary.

Your contributions are deducted from your salary each pay day by your employer and forwarded to the Retirement Scheme where they are credited to your Contributor Financed Benefit. This requirement does not apply if you are a deferred member; for more information please refer to the 'Deferred Benefit option' section on page 11.

Your monthly contributions are calculated on the basis of a full calendar month, with twelve (12) contribution periods per year.

The formula for calculating the monthly contribution is:

Superable Salary x % Rate x Salary Ratio[1] / 12

1 Salary Ratio for members working full time is 1.0000.

For example, if an employer reported your Superable Salary as $75,000 and you elected to contribute 4%, your monthly contribution would be as follows:

($75,000 x 4% x 1.0000) / 12 = $250

These personal contributions can be paid as salary sacrifice, post-tax contributions or a combination of both.

Any salary sacrifice contributions must be arranged with and agreed to by your employer. Your employer may have restrictions applying to the availability of salary sacrifice so it is important that you check first.

It is also important that you consider how appropriate salary sacrifice is for you and understand the tax considerations that apply, the effect these contributions will have on your final benefit in the Retirement Scheme and the effect on your after tax income.

For more information about salary sacrifice, please refer to the relevant fact sheet at **eisuper.com.au/factsheets**.

Additional amounts such as spouse contributions can also be contributed to the Other Contributions (OC) Account as top-up contributions.

Contribution rate

Each year you have the opportunity to change your contribution rate, which takes effect from 1 April. You can vary your contribution rate percentage between 1% to 9% to suit your financial circumstances from year to year.

Generally, the amount you contribute will be adjusted on the first salary payment in April each year, to take account of any change in your Superable Salary up to the preceding 31 December and any variation in your selected percentage rate of contribution.

We may approve the contribution rate percentage to be reduced to as low as 0% for a limited time, if we are satisfied that the continuance of your contribution rate would result in financial hardship.

To apply to reduce your contribution rate, please contact us.

Rollovers and transfers in

The Retirement Scheme accepts rollovers or transfers of benefits from other complying super funds, approved deposit funds, rollovers from the Australian Taxation Office (ATO) from Superannuation Holding Accounts Special Account (SHASA) which exclude Superannuation Guarantee (SG), rollovers or transfers from other complying super funds as a result of SuperMatch, as well as super split amounts resulting from a Family Law settlement or order and super lump sum payments.

Rollovers and transfers in will be credited to your OC Account.

Government co-contributions

If you're earning less than $52,697 a year and you make an after tax, voluntary contribution to your super, you could be eligible to receive a boost from the Government under its co-contribution scheme. If you're eligible, the Government could contribute up to $500 a year to your super.

You may be entitled to a Government co-contribution if you fit the following criteria:

- have a total income of less than $52,697 (including assessable income, reportable employer super contributions and fringe benefits);
- earn 10% or more of your total income from eligible employment and/or running a business;
- are a permanent resident under 71 years of age at the end of the financial year;
- have supplied us with your tax file number (TFN);
- lodge your tax return;
- have not exceeded your non-concessional contributions cap in the relevant financial year; and
- your total super balance is less than $1.6 million.

For more information, please refer to the Government co-contribution fact sheet available at **eisuper.com.au/factsheets**.

Spouse contributions

You may receive spouse contributions into your account. These contributions will be credited to your Other Contributions (OC) Account which will count towards your non-concessional contributions cap. Refer to page 27 for additional information on contribution caps.

Salary and benefit points

Your Superable Salary influences the amount of personal contributions you may contribute and the benefits you will receive.

Superable Salary

Your Superable Salary for the purpose of calculating the amount of your contributions is your gross annual salary as at 31 December prior to each contribution year, as certified by your employer.

For all members[1] Superable Salary includes the sum of:

- your remuneration, salary or wages payable;
- a loading in respect of any shift allowance (within certain limits);
- other allowances payable in money that are included within the value of leave paid on termination of employment (within certain limits);
- weekly workers compensation paid to the member as from the date the weekly workers compensation commences to be paid (within certain limits); and
- if approved employment benefits are provided to the member, the cost of providing the approved employment benefits, as determined by us.

Specifically excluded from the definition of Superable Salary are the following amounts or allowances:

- an amount paid as overtime or as a bonus or as an allowance instead of overtime;
- shift allowances, apart from those specifically allowed;
- a relieving allowance paid for less than one (1) year;
- an expense allowance or an allowance for travelling, subsistence or other expenses;
- an equipment allowance; and
- an amount paid for rent or as a residence, housing or quarters allowance.

1 Special arrangements for determining the Superable Salary apply to executive officers. Any questions about the appropriate Superable Salary to use for contribution purposes should be referred to your employer or to us.

Reduction in salary

A reduction in Superable Salary may result in a reduction in entitlements. Under the rules of the Retirement Scheme, where your Superable Salary is reduced, you may be able to avoid a reduction in your benefit entitlements by applying to us to either retain your higher Superable Salary or crystallise your benefit.

Retention of higher salary

In some circumstances, you may be able to retain your previous higher Superable Salary for benefit purposes.

When does it apply?

Generally, approval for retaining the use of the higher Superable Salary may be given where the salary reduction is due to your ill-health or to other ‘special’ circumstances. You will not be entitled to retain your higher Superable Salary where the reduction in Superable Salary is due to disciplinary reasons.

How to apply?

You can make an application to us and provide supporting documentation for the reason(s) for the reduction in your Superable Salary. We will then contact your employer to confirm the reason(s) for your Superable Salary reduction.

How will this affect contributions?

If your application is accepted, your contribution amount will continue to be payable based on the higher Superable Salary. This will continue until your actual Superable Salary exceeds the previous higher retained Superable Salary level.

Crystallisation

If you experience a single attributed Superable Salary[2] reduction of 20% or more, you may be eligible to apply to crystallise your benefit. If your application is approved, you may be able to protect the benefits accrued on your previous (higher) Superable Salary by exiting the Retirement Scheme without leaving your current employer and using the higher Superable Salary to calculate your benefit. Crystallisation separates the period of membership prior to the Superable Salary reduction from the period after the Superable Salary reduction. This helps ensure that the Superable Salary reduction doesn’t unreasonably impact on the overall benefit that you may receive.

2 Salary as a full-time worker or, if part-time, the salary equivalent if working in the same job full-time.

How to apply?

You will be required to make an application through your employer, as your employer must certify the Superable Salary reduction.

You should apply for crystallisation within two (2) months after your Superable Salary is reduced. In some circumstances, you can apply to us for approval of a late election.

Accruing super after Crystallisation

You can elect to either rejoin the Retirement Scheme and contribute for benefits in the Retirement Scheme based on your new Superable Salary. Alternatively, you can join EISS Super. If you do not make an election, you will automatically become a member of EISS Super.

Final Salary and Final Average Salary for benefit purposes

When determining benefit entitlements, either Final Salary or Final Average Salary is used. Final Salary is the Superable Salary payable at your exit date, while Final Average Salary is generally the average of the Superable Salaries at:

(a) your exit date;

(b) 31 December last preceding your exit date; and

(c) 31 December preceding the 31 December referred to in (b).

Benefit points system

Your Employer Financed Benefit is calculated based on the number of benefit points you have accrued and is a function of the length of your contributory membership and your Final Salary or Final Average Salary.

The benefit points system is the link between contributions to your Contributor Financed Benefit and the Employer Financed Benefit.

For full-time employees, benefits are calculated in the following way:

- for each 1% of Superable Salary you contribute in a year, you generally accrue 1 benefit point; and
- for most employment termination reasons, each benefit point you have accrued provides you with an Employer Financed Benefit of generally 2.5% of either your Final Salary or Final Average Salary, depending on the circumstances of your exit. This employer component is subject to the 15% contributions tax from 1 July 1988.

For example, if by the Early Retirement Age (usually 58) you have contributed an average of 6% of Superable Salary over a period of 30 years, you would accrue 180 benefit points (6 x 30 = 180). This would provide the maximum Employer Financed Benefit of 4.5 times Final Average Salary (i.e. 180 x 2.5% = 4.5), less 15% contributions tax from 1 July 1988. Please note, that accrued rates may vary for members of some of the older schemes.

Please note, for most members, the maximum number of benefit points which attract the Employer Financed Benefit for a full-time employee is six (6) times the number of years of your membership or 180 benefit points, whichever is the lesser.

Therefore, the quickest period in which you will generally be able to accrue 180 points which will attract the maximum Employer Financed Benefit is 30 years (180/6 = 30).

You can, however, still accrue 180 benefit points if you contribute at less than an average of 6 benefit points per year, it will just take you longer. For example, at an average of 5 benefit points per year it will take 36 years (180/5 = 36).

You may change the percentage rate you contribute each year. You can contribute within the range of 1% to 9% each year and plan to accrue the maximum benefit points (an average of 6 per year) over the whole period of your contributory membership.

However, maintaining your accrued benefit points at or above the maximum available benefit points during your membership, will also maximise your Employer Financed Benefit if you exit the Retirement Scheme prior to retirement age.

For details about the application of the benefit points system in respect of a period of part-time employment or leave without pay, please contact us.

Insurance

Additional Benefit Cover

Additional Benefit Cover is a form of insurance cover available to members on an optional basis and is subject to meeting prescribed medical standards. It is payable when you cease employment due to total and permanent invalidity or death.

The purpose of this cover is to help compensate you or your beneficiaries/estate for the difference between the standard benefit and the benefit you would have accumulated had you been able to remain in employment until your Early Retirement Age (usually age 58).

Additional Benefit Cover:

- is payable in addition to the standard benefit available to all contributors, where retirement is due to total and permanent invalidity or death occurs prior to your Early Retirement Age; and
- the cost to you is minimal, as your employer finances around 75% of the cost of Additional Benefit Cover.

Additional Benefit Cover is based on prospective benefit points. These are the extra points that it is assumed you would have accrued by the Early Retirement Age, had total and permanent invalidity or death not occurred. Each prospective benefit point is worth 4% of Final Salary (or Final Average Salary if it is higher).

Please note, the number of prospective benefit points plus accrued points cannot exceed 180 and will be based on the average points accrued per year during your membership.

What is the cost?

The Standard Member Levy is 25% of the full charge (your employer pays the rest) and from time to time this may be discounted. Please contact us for more information.

The Standard Member Levy can be derived by using the following calculation:

(Amount of cover x rate for age[1] ÷ 1,000) x 25%

For example, if you have $150,000 of Additional Benefit Cover and you are currently age 40, the Standard Member Levy would be:

($150,000 x 1.05 ÷ 1,000) x 25% = $39.38 per annum or $3.28 per month.

The Standard Member Levy is deducted each month from your Contributor Financed Benefit and is shown on your annual Member Statement.

1 Your 'rate for age' can be found in the 'Additional Benefit Levy' table, in the next column.

Applying for cover

You can apply for the cover at any time up until your Early Retirement Age if you have not already accrued 180 benefit points. To apply for cover you must complete an application form available at eisuper.com.au/forms. This includes completing a medical questionnaire.

Please note, cover ceases at Early Retirement Age or when you accrue 180 benefit points. There is also no continuation option for Additional Benefit Cover after cessation of employment.

For more information, please contact us on **1300 369 901**.

Eligibility for cover

Most applications will be assessed on the information provided on the application form. However, if we are unable to make an assessment of your eligibility for Additional Benefit Cover from this information, you may be required to provide additional information or undergo a medical examination. Additional Benefit Cover will commence from the day your application is approved.

Acceptance of cover

If your application for cover is accepted, it cannot be cancelled. If your application is declined, you may lodge another application after three (3) years.

Additional Benefit Levy

Age attained	Rate per $1,000 of Cover
15	0.20
16	0.20
17	0.40
18	0.60
19	0.60
20	0.50
21	0.40
22	0.30
23	0.25
24	0.25
25	0.25
26	0.30
27	0.40
28	0.40
29	0.50
30	0.50
31	0.60
32	0.60
33	0.60
34	0.60
35	0.60
36	0.60
37	0.75
38	0.90
39	0.90
40	1.05
41	1.20
42	1.35
43	1.50
44	1.65
45	1.85
46	2.10
47	2.40
48	2.75
49	3.15
50	3.55
51	4.35
52	5.25
53	6.75
54	8.45
55	10.15
56	11.85
57	13.90

Benefits

The Retirement Scheme will provide you with benefits payable in the event of:

- resignation, discharge, dismissal;
- retrenchment;
- retirement;
- invalidity; and
- death.

From the date of the event (except death), you will have 90 days to make an election to take your benefit as either a cash amount or to defer your benefit in the Retirement Scheme. Please note, if you do not make an election within this timeframe your benefit will be deferred. For more information please refer to the 'Deferred Benefit option' section on page 11.

All benefit payments are subject to preservation rules and meeting a condition of release. When a condition of release is not met, your benefit can remain as a Deferred Account or rolled over to another super fund.

How are benefits calculated?

Benefits payable from the Retirement Scheme consist of the following components:

- a Contributor Financed Benefit which is the balance in your account, being your contributions plus any net investment earnings, less the Administration Fee and, if appropriate, less any Additional Benefit Cover levies; and
- an Employer Financed Benefit, which is generally 2.5% of either final average salary or final salary (depending on the circumstances of exit) for each 1% of salary you contribute, subject to the maximum accrued benefits; and
- a non-contributory Basic Benefit, which is 3% of either Final Average Salary or Final Salary (depending on the circumstances of exit) for each year of service from 1 April 1988; plus
- any balance in your Other Contributions (OC) Account (made up of any additional contribution amounts and rollovers).

The Employer Financed Benefit and non-contributory Basic Benefit will be reduced by a contribution tax of 15% in respect of the period commencing 1 July 1988 to the date of exit (except where a death benefit is payable).

From the date of the 'exit' event, until you make a nomination your Contributor Financed Benefit and OC Account will remain invested in your chosen investment option. The Employer Financed Benefit and Basic Benefit will be calculated as at the event date and will accrue interest at a rate equal to the Cash investment option.

How is the benefit paid?

Generally, benefits from the Retirement Scheme are paid as a lump sum. However, there is a pension option available to some members.

Members who were at one time in either the Local Government Pension Fund or the NSW Retirement Fund have retained the option to convert all or part of their Employer Financed Benefits (and additional benefits where applicable) to pensions. This can be done where a member retires after reaching age 60 or is totally and permanently incapacitated or dies before reaching retirement age.

The pensions are payable for life and in some cases there is an option to take them as a reversionary (i.e. with a reversionary pension payable to a surviving spouse) or non-reversionary benefit. They are adjusted annually in line with increases in the Consumer Price Index (CPI).

Children's pensions are also payable under some circumstances where deceased members were at one time in the Local Government Pension Fund. For members who are not eligible for one of the above mentioned pension options, a separate account-based pension, EISS Pension is available.

Minimum Superannuation Guarantee (SG) benefit

All Employer Financed Benefits accrued from 1 July 1992, must meet the requirements of the Superannuation Guarantee (SG) legislation. This means that the value of those benefits must at least equal the amount that would have accrued had the employer paid SG contributions into a standard accumulation super fund. The Retirement Scheme has actuarial certification that will in all circumstances enable your employer to satisfy the requirements of the SG legislation through its participation in the Retirement Scheme.

Resignation, discharge or dismissal prior to Early Retirement Age

If you leave the Retirement Scheme under one of these circumstances, you have a choice between receiving an immediate cash benefit or deferring the benefit for payment later.

If you elect for an immediate cash benefit it will generally be comprised of the following:

- a lump sum equal to the balance in your Contributor Financed Benefit; plus
- a lump sum Employer Financed Benefit; plus
- a lump sum Basic Benefit.

Some of the benefit may not be payable at the time of exit. For more information, please refer to the 'Preservation' section on page 13. If you have not contributed for at least ten (10) years, special rules apply. Please contact us for more information.

Retrenchment

Retrenchment occurs where, prior to the contributor attaining the Early Retirement Age, the employer certifies to us that the contributor has been retrenched and there are no other benefits payable to the person as a member of the Retirement Scheme.

The benefit payable on retrenchment will generally be comprised of:

- a lump sum equal to the balance in your Contributor Financed Benefit; plus
- a lump sum Employer Financed Benefit; plus
- a lump sum Basic Benefit.

Some of the benefit may not be payable at the time of exit. For more information, please refer to the 'Preservation' section on page 13.

Retirement

On any form of exit at or after the Early Retirement Age, the benefit will generally be comprised of:

- a lump sum equal to the balance in your Contributor Financed Benefit; plus
- a lump sum Employer Financed Benefit; plus
- a lump sum Basic Benefit.

Some of the benefit may not be payable at the time of exit. For more information, please refer to the 'Preservation' section on page 13.

Where some members with Additional Benefit Cover terminate employment after the Early Retirement Age but prior to reaching age 60 due to death or total and permanent invalidity, additional benefits may be payable. These include members who were at one time members of the Public Authorities Superannuation Scheme.

Invalidity prior to Early Retirement Age

A benefit is payable if a member is retired prior to their Early Retirement Age on the grounds of physical or mental incapacity to perform his or her duties. There are two categories of benefit, which are determined by the severity of the invalidity. These are Partial and Permanent Invalidity (PPI) or Total and Permanent Invalidity (TPI).

Partial and Permanent Invalidity

The Partial and Permanent Invalidity (PPI) benefit applies where a member, before attaining their Early Retirement Age, retires from employment with a Retirement Scheme employer and we are satisfied that:

- the retirement was due, directly or indirectly, to the permanent physical or mental incapacity of the contributor (not being caused by the contributor and intended to produce the incapacity); and
- the contributor, due to that incapacity, is permanently unable to perform the duties that were required to be performed before suffering the incapacity.

Some of the benefit may not be payable at the time of exit. For more information, please refer to the 'Preservation' section on page 13.

Some members who originally joined one of the earlier schemes (mainly the Benefits Fund) have guaranteed minimum benefits which are equivalent to those that would have been payable had they remained in that scheme. Please contact us if you think this may apply to you.

Total and Permanent Invalidity

The Total and Permanent Invalidity (TPI) benefit applies where a member, before reaching the Early Retirement Age, retires from employment with an employer and we are satisfied:

- that the retirement was due directly or indirectly to the permanent physical or mental incapacity of the contributor (not being caused by the contributor and intended to produce the incapacity); and
- that the contributor, at retirement, is permanently unable to engage in any paid employment in which, in our opinion, it would be reasonable to expect the contributor to engage.

The benefit is the same as that paid for PPI plus the Additional Benefit Cover where the member qualifies for the cover. This is 4% of Final Salary or Final Average Salary (whichever is the higher) for each prospective benefit point to Early Retirement Age.

Former members of the Local Government Pension Fund may also qualify for payment of what is commonly called an 'additional additional benefit'. This is calculated as 1% of Final Salary for each prospective benefit point (calculated to age 65) which does not attract an additional benefit payment. Some members of earlier schemes (e.g. the Benefits Fund and the NSW Retirement Fund) may also have guaranteed minimum benefits equal to the benefits they would have received had they stayed in their previous schemes. Please contact us if you think this may apply to you.

Death prior to Early Retirement Age

Where a member dies before attaining the Early Retirement Age, the benefit is calculated in a similar manner as the benefit payable on TPI. However, no 15% contributions tax reduction is applied to the employer benefit.

In the event of the death of a member, the benefit will be paid to an eligible spouse including de facto or same sex spouse.

If there is no spouse, the benefit will be payable to the deceased's estate.

Deferred Benefit option

Upon resignation, discharge or dismissal you can, as an alternative to receiving the cash benefit immediately payable on exit, elect to defer a benefit in the Retirement Scheme.

Deferral allows an employee who leaves prior to retirement to retain considerable retirement benefit entitlements, once certain conditions have been met.

A deferred benefit will be paid on application:

- at or after retirement from the workforce;
- on Early Retirement Age (generally age 58 but in some cases age 55);
- when you have reached your preservation age and have met a condition of release; or
- earlier upon total and permanent invalidity or death.

The total amount deferred (that is, the balance in your Contributor Financed Benefit, Employer Financed Benefit and Basic Benefit) will be invested according to your nominated strategy or, if no strategy is nominated, in the default Growth investment strategy.

At any time prior to retirement from the workforce, you can elect to take the cash amount which would otherwise have been paid to you at the time of exit, together with the net earnings accumulated on that amount at the rate credited to accounts generally, from the date of exit to date of payment, subject to preservation rules.

Please note, that in choosing the Cash Withdrawal option, you will forego most (or all) of the Employer Financed Benefit accrued during your membership of the Retirement Scheme.

Members who are eligible to be paid a retrenchment, partial and permanent invalidity or retirement benefit also have the option of leaving their benefits in the Retirement Scheme as deferred benefits. In doing so, they retain the right to be paid the full amount of the benefit at any time, subject to preservation rules.

Although members holding a deferred benefit are no longer able to make contributions to the Contributor Financed Benefit, their Other Contributions (OC) Account can continue to accept personal post-tax contributions, Government co-contributions, spouse contributions, as well as rollovers from other funds.

Special age provisions for members 65 or over

At any time after reaching age 65, you have the option of terminating your contributory membership in the Retirement Scheme and can be paid or defer your total benefit even though you are not retired. Your employer would then be required to make SG contributions to EISS Super up until the time you terminate employment.

On reaching age 70 your Retirement Scheme benefit must be paid, unless you elect to defer your benefit entitlement or within three (3) months of being notified by us elect to remain a non-contributory member of the Retirement Scheme. If you elect to remain a non-contributory member you will not be entitled to make further contributions or accrue further Benefit Points. Your benefit will be calculated in accordance with the applicable rule when you make an election or a payment rule applies. No fund investment returns, whether positive or negative, will be applied to the defined components of the benefit (that is, the Employer Financed Benefit and Basic Benefit), however they will continue to apply to the Contributor Financed Benefit and any OC Account.

If you are still working for an approved employer on attaining age 70, you may join EISS Super and receive SG.

You should seek professional advice before making any decision regarding your benefit.

What happens in the event of your death?

You can choose how your benefit is paid in the event of your death. You will need to provide a valid binding nomination which provides details of your dependant(s) (which includes your spouse) and/or your Legal Personal Representative (LPR).

Under super law, we must pay your benefit in accordance with your valid binding nomination regardless of whether your circumstances have changed, so it is important that you keep it up to date. However, if you do not make a choice or your nomination is not valid, your benefit will be paid to one or more of your dependant(s) (which includes your spouse) and/or your LPR as we determine.

Who can be classified as a dependant?

A dependant is defined under super law as including:

- your spouse, which includes:
  - a person to whom you are married;
  - a person who although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple (regardless of whether you are of the same or opposite sex); and
  - a person with whom you are in a relationship that is registered under the Relationships Act 2008 (Vic), Relationships Act 2003 (Tas), Marriage Equality (Same Sex) Act 2013 (ACT), Relationships Register Act 2010 (NSW) or the Civil Partnerships Act 2011 (QLD);
- your child, which includes:
  - an adopted child, step child or an ex-nuptial child;
  - a child of your spouse;
  - a child born to a woman as a result of an artificial conception procedure while that woman was married to you or was your de facto partner;
  - a child who is your child because of State or Territory legislation giving effect to a surrogacy arrangement;
- any other person who in our opinion, was wholly or partially financially dependent on you at the time of your death; and
- a person with whom you had an interdependency relationship at the time of your death. An interdependency relationship is one where two persons, whether or not related:
  - have a close personal relationship; and
  - they live together; and
  - one or each of them provide the other with financial support; and
  - one or each of them provides the other with domestic support and personal care.

Who can be classified as your Legal Personal Representative?

A LPR is the executor of your estate (as indicated in your will) or the administrator of your estate (the person appointed by the court to administer your estate if you die without a will).

Making a binding nomination

The person(s) you nominate as a beneficiary must be a dependant, your LPR or a combination. If you have a valid binding nomination in place, then in the event of your death, we are bound to pay your account balance in accordance with that nomination.

For a binding nomination to be valid, the following conditions must be met:

- your nomination must be in writing and given to us;
- each person you nominate must be either a dependant or your LPR at the time of your death;
- the proportion of benefit that would be paid to the person(s) is certain or readily ascertainable from your nomination;
- you must sign and date your nomination in the presence of two (2) witnesses who are over the age of 18 and are not nominated as a beneficiary;
- the two (2) witnesses must sign and date a declaration stating that they were in your presence when you signed and dated your nomination; and
- your nomination must be renewed (or amended) at least every three (3) years and be valid as at the date of your death.

You may amend, confirm or revoke your nomination at any time by completing the Binding Nomination form which is available at **eisuper.com.au/nominate** or by contacting us.

Payment of a death benefit

Please note that in the event of your death and upon receipt of relevant statutory documents (including a certified copy of your death certificate), we will automatically change the investment strategy of your account to Cash. This investment switch is to protect your account balance against market fluctuations. Any previous investment choice or default option will cease to apply.

Continuity of membership

Upon ceasing employment with a Scheduled Employer, you may request continuity of contributory membership where you have commenced employment with another Scheduled Employer (or re-commenced with the same employer) and:

- the new period of employment has commenced no later than three (3) whole calendar months following the month in which the original employment ceased; and
- you have not been paid a benefit or any part of a benefit, following the employment termination; and
- you have not reached the Retirement Scheme's Early Retirement Age (normally 58, but 55 in some cases); and
- we have granted approval of continuity.

Continuity of membership between Scheduled Employers cannot occur where you reach your Early Retirement Age (normally age 58, but may be age 55 if you were formerly a member of one of the predecessor schemes listed on page 2).

If you have reached your Early Retirement Age and change Scheduled Employers you may elect to defer your benefit or receive your retirement benefit.

In this situation, upon commencement with your new employer an EISS Super account will be opened to receive your personal and employer (superannuation guarantee) contributions.

Continuity of membership may also occur where you have moved to or from a Local Government Super (LGS) employer or a participating State Authorities Superannuation Scheme (SASS) employer, subject to the same conditions specified above. Where a former member is seeking continuity via the LGS Retirement Scheme or SASS, the approval of the applicable trustee is required.

For more information, please contact us.

Preservation

Your super benefit may contain preservation components. Your annual member statement will set out the preservation components of your benefit.

Preserved components

Preservation benefits

This is the amount of your benefit that can only be accessed if you meet a condition of release as specified by super law. Since 1 July 1999, all new contributions to super and investment earnings accruing from that date are preserved.

Restricted non-preserved

This component of your benefit can only be withdrawn and taken in cash when you cease employment with an employer who has contributed to the Retirement Scheme. Your restricted non-preserved benefit is the amount (if any) that you would have been able to withdraw and take in cash if you had left the Retirement Scheme on 1 July 1999.

You cannot accrue additional restricted non-preserved benefits and any investment earnings are preserved which means the amount of your restricted non-preserved benefit remains the same over time.

Unrestricted non-preserved

This is the amount of your benefit that you can withdraw and take in cash at any time. We also keep a record of the amount (if any) that you would have been able to withdraw without any restrictions at 1 July 1999, in accordance with the preservation rules.

This amount will only exist when you meet a condition of release or if you have rolled over an unrestricted non-preserved benefit from another super fund.

The restricted non-preserved amount, plus any unrestricted non-preserved amount, will remain the maximum amount that you will be able to take in cash on leaving the Retirement Scheme before satisfying a condition of release.

When are preserved benefits payable?

Preserved benefits may be accessed when you meet a condition of release. The conditions of release are:

- on permanent retirement from the workforce at or after your 'preservation age', please refer to the table below;
- on leaving employment on or after age 60;
- on leaving employment with an employer and your preserved benefit is less than $200;
- on reaching age 65, regardless of whether you are still working (however you must cease contributory Retirement Scheme membership if you wish to access any benefits other than the Basic Benefit and Other Contributions (OC) Account;
- on total and permanent incapacity;
- if you entered Australia on an eligible temporary resident visa and you subsequently permanently depart Australia;
- when the Australian Taxation Office (ATO) gives us a release authority to pay excess contributions tax to the ATO;
- on death; or
- you are suffering from a terminal illness.

You may be eligible to cash all or part of your benefit:

- on the grounds of severe financial hardship, please refer to **eisuper.com.au** for more information; or
- on compassionate grounds following written approval from the ATO for payment of a specified amount.

For more information, please contact us.

Preservation age

Your preservation age is the age at which you are eligible to access your preserved benefits due to retirement. Your preservation age will be between 55 and 60, depending on your date of birth, please see the table below:

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

2. Risks of super

As a contributing member of the Retirement Scheme, your Contributor Financed Benefit and your Other Contributions (OC) Account can be invested into one (1) of the six (6) investment options available.

If you are a deferred member your whole benefit is invested into your selected investment option.

Please note, you can only select one (1) investment option for your account.

Defined benefit complexity risk

The Retirement Scheme is a complex product and certain calculations and decisions made may impact the amount available to you at retirement. For this reason, we recommend that you seek professional financial planning advice where appropriate to ensure the best outcome for you.

Longevity risk

Longevity risk is the risk that the income accumulated in super is not sufficient to last your lifetime; it depends on the initial capital invested and the return from the underlying investments together with life expectancy.

Regulatory risks

There are significant risks that need to be considered when investing in super, including super laws and policies that may change in the future and may affect your benefit, investment strategy or your ability to access your benefit.

Technology risk

To the extent permitted by law, EISS Super accepts no responsibility should your online account be unavailable for transacting. We reserve the right to temporarily change, suspend or to cancel operations in your online account without prior notice.

In the event your online account is not available for transaction requests, we will endeavour to provide an alternative to members who wish to transact. We accept no responsibility for delays caused by the use of any alternative system.

As with any service that uses technology, there is some risk that the administration systems hardware and software may fail, causing a delay in the processing and reporting of your account. We do not accept responsibility if this were to happen. We have sought to address this risk and the risks associated with other unforeseen circumstances by implementing a disaster recovery plan and ensuring that relevant service providers also have disaster recovery and business continuity arrangements in place. This includes manual process and nightly backups of our systems and data.

You should be aware that the internet is not a completely reliable transmission medium. We shall not have any liability for any data transmission errors such as data loss or damage or alteration of any kind, including, but not limited to, any direct, indirect or consequential damage, arising out of the use of the services provided herein.

Investment risks

Investment risk is the risk that the value of your investment and the level of returns that you will receive will vary. It is important to understand that past performance is not an indicator of future performance. Returns are not guaranteed and you may lose some of your money as a result of your investment.

There is a relationship between the amount of risk a person is willing to take and the potential return they may receive on their investment.

In general, investments which potentially earn higher long term returns e.g. equities also carry higher short term risk. Not only may the rate of return of the investment vary but also the value of the investment can rise and fall more sharply than other investments. Typically, investments that potentially earn a lower return over the long term e.g. cash, fixed interest and bonds, are less likely to fluctuate in the short term.

Factors such as interest and exchange rates, government policy and the state of domestic and world economies may have an impact on financial markets and therefore your investment. In the case of listed securities such as shares and listed property trusts, other influences include world political events and the performance of world share markets. It is important to note that the returns from listed investments reflect the market forces of supply and demand and investor sentiment.

The principle of diversification is where you spread your investment between more than one asset class. The intended result is to achieve more stable investment returns, in other words, the total returns of a diversified portfolio should not fluctuate as much as the returns from investing solely in one asset class. Further diversification may be added by spreading money across a group of specialist fund managers within an asset class.

The value of your investment can fall as well as rise. Even where your investment does not fall in value, it may not perform according to your expectations.

Asset class risk

Risks for individual asset classes include:

- Australian equities – Specific risks relating to individual companies include profits and dividends being below expectations, adverse management changes or reassessment of the outlook for the company or industry. The market value of equities can also fluctuate.
- International equities – Global economic trends, individual country risk factors as well as specific risks relating to individual companies will affect the price. There is also currency risk (except to the extent that the risk is managed by foreign currency hedging). Capital gains may occur when the Australian dollar depreciates against other currencies and capital losses may occur when the Australian dollar appreciates.
- Infrastructure - Risks include the construction of new infrastructure projects, locational factors, lack of use of the infrastructure asset, declining asset values and realised losses when infrastructure assets are sold. Infrastructure may also attract some of the risks associated with share market volatility. Other risks include delays in obtaining planning approvals, potential environmental impacts and leasing arrangements.
- Property – Risks include vacancies, locational factors, unprofitable property development activities, declining property values and realised losses when properties are sold. Property will also attract some of the risks associated with share market volatility. Other risks include delays in obtaining required approvals, construction, leasing and market risk.
- Alternative assets – Alternative assets can involve exposure to all of the risks applying to the traditional asset classes described in this section. In addition, some alternative assets are illiquid and can also involve the use of derivatives.
- Private equity – Specific risks relating to individual assets or companies include profits and income distributions being below expectations, changes in management of the underlying companies and a reassessment of the industry or economic outlook. Company re-development and new strategies not being implemented efficiently can also create risk. This asset class is not liquid so accessing funds quickly is not always possible.
- Fixed income – Whilst these investments pay a set amount of interest income over time, market value can fluctuate. Overall returns over short-term periods can be negative. The market value will fall if yields rise. Fixed interest investments are also subject to credit risk.
- Cash – Whilst it is unlikely that the market value of a cash investment will decline, longer-term returns are generally lower than other assets.

Credit risk

Investment in debt securities or other debt instruments can be subject to default risk. For example, where we buy a bond that has a regular coupon (interest) payment and a capital repayment (the money you get at the end of the period of the bond), there is a risk that the organisation that issued the bond (credit issuer) may default on the interest payments, the capital repayment or both.

Bond investments with a non-investment grade credit rating (that is Standard and Poor's rating of BB+ or lower) are subject to increased risks, compared with investment grade securities.

Currency risk

Generally, a portion of the assets are invested internationally and therefore can be affected by currency movements. This means that the value in AUD of international assets will vary as the value of currencies and exchange rates change.

A currency manager is used to manage our foreign currency exposure. The foreign currency exposure will vary from time to time.

Derivatives risk

We have a policy that is applied when approved investment managers trade in derivatives. Derivatives can be used for many purposes, including hedging to protect an asset against market fluctuations, reducing costs of achieving a particular market exposure and maintaining benchmark strategic asset allocations.

Risks include:

- Price – The risk that changes in prices in the market underlying a derivative contract or in the derivative contract itself, are adverse to the position held.
- Leverage – The risk that by creating greater exposure to a market than that of the assets backing the position, losses will be magnified.
- Liquidity – The risk that a derivative position cannot be reversed.
- Default – The risk that the other party does not meet its obligations.

Inflation risk

Although the investment may produce a positive return, when you compare this to the increase in the cost of living, you may find that your return hasn't been able to keep up with inflation, effectively reducing your purchasing power. You need to balance risk against returns in order to achieve your investment goals.

Interest rate risk

Cash, cash-like securities and debt securities investments are affected by interest rate movements. Capital gains can be earned from debt securities investments where interest rates are falling and capital losses can occur when interest rates are rising. The risk of capital gain or loss tends to increase as the term to maturity of the investment increases.

Liquidity risk

Some investment strategies hold assets which are 'illiquid'. If we invest in illiquid assets, we may not be able to sell the investment at short notice or we may need to sell our investment at a discount or a loss if we need to 'cash out' quickly. Examples are property, private equity and infrastructure. Listed investments can also be illiquid where there is not an active market for the securities such as shares in smaller companies.

Diversifying across a range of investments and limiting holdings in potentially illiquid investments may help manage the risks of illiquid investments.

Market risk

General economic conditions both in Australia and elsewhere in the world affect markets. Changes in government policies, interest rates, inflation, technological developments and demographic changes all affect investment markets as a whole, causing the value of investments to rise and fall. We have no way of accurately predicting what will happen and how this will affect the markets.

How do I understand and manage my investment risk?

Whilst you can never fully eliminate the risk associated with an investment, there are a number of different ways in which you can minimise the potential risk.

Obtain professional advice

Investments are complicated and whilst the risk profile of an investment may be an indication of the risk associated with that investment, it is recommended that you seek professional advice before deciding which investment strategy best suits your needs.

Regularly review your investment

Your individual circumstances may change and as a result your selected investment may no longer be suitable. If you do think that your investment is no longer best serving your needs, you should obtain professional advice to review your investment choice.

Invest for the long-term

Super is a long-term investment and moving between investments on a regular basis may do more harm than good. You should consider remaining in your selected strategy for at least the minimum investment timeframe suggested for the investment strategy.

Please note, investing for the suggested investment timeframe will not eliminate risk.

Read all of the information

It is important that you read all of the information associated with the investment. Risk profiles can be an indicator as to the volatility of an investment, but you should also be aware of where your money is being invested to understand how the various risks may have an impact on your investment.

3. How we invest your money

As a contributing member of the Retirement Scheme, your Contributor Financed Benefit and your Other Contributions (OC) Account can be invested into one (1) of the six (6) investment options available. If you are a deferred member your whole benefit is invested in your selected investment option i.e. the investment option you were invested in prior to your deferral. Please note, you can only select one (1) investment option for your account.

If no election is made, your Contributor Financed Benefit and OC Account will be invested into the Growth investment option. You can change this at any time.

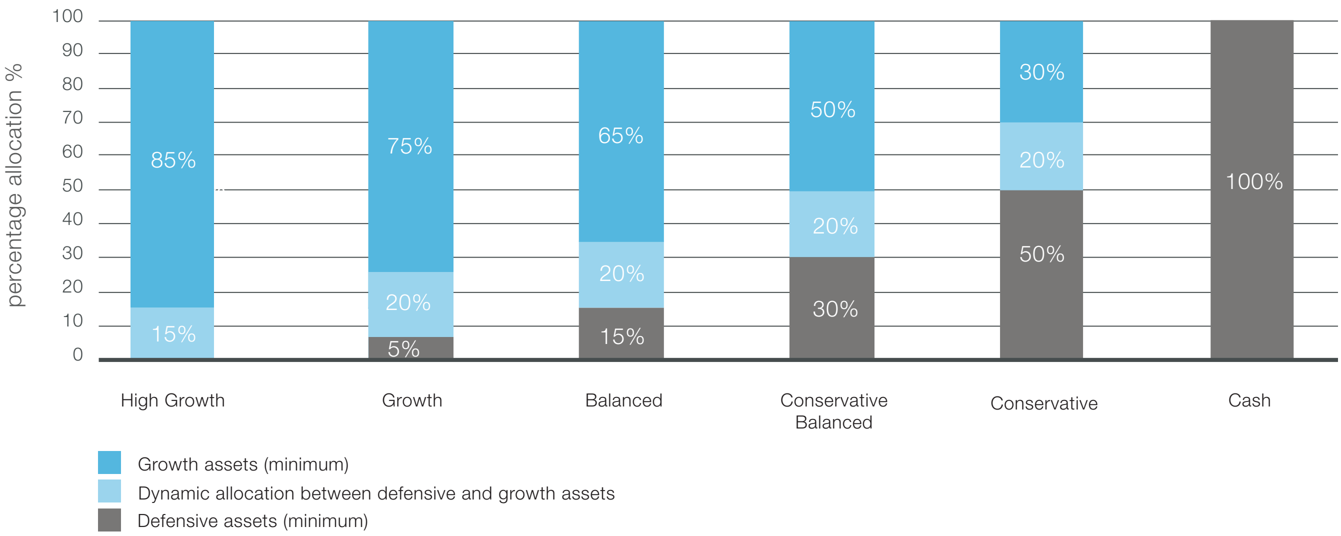
Our Retirement Scheme offers you a selection of six (6) investment options which invest into multiple asset classes. Each investment option will specify allowable ranges (asset allocation ranges) for different asset classes.

Each investment option has a recommended minimum investment timeframe, a different level of risk and potential level of return so you can select the investment option which best suits your objectives, financial situation and needs.

The investment options are:

- High Growth;
- Growth;
- Balanced;
- Conservative Balanced;
- Conservative; and
- Cash.

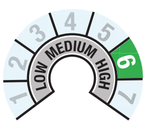
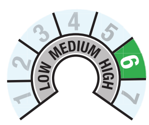
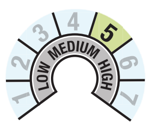
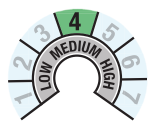
Retirement Scheme Investment Options – Asset Allocation



	High Growth	Growth	Balanced	Conservative Balanced	Conservative
Investment return objective	This investment option aims to achieve a return of CPI + 4%p.a. over 10 years (after fees and taxes).	This investment option aims to achieve a return of CPI + 3.5%p.a. over 7 years (after fees and taxes).	This investment option aims to achieve a return of CPI + 3%p.a. over 7 years (after fees and taxes).	This investment option aims to achieve a return of CPI + 2.5%p.a. over 5 years (after fees and taxes).	This investment option aims to achieve a return of CPI + 1.75%p.a. over 5 years (after fees and taxes).
Description	This option invests a very high proportion in growth assets such as Australian and international equities. This option is designed for members who expect to have their super invested for at least 10 years and who are willing to accept fluctuations in returns over the short to medium term.	This option invests a very high proportion in growth assets such as Australian and international equities. This option is designed for members who expect to have their super invested for at least 7 years and who are willing to accept fluctuations in returns over the short to medium term.	This option invests a high proportion in growth assets such as Australian and international equities with the balance invested in defensive assets such as fixed income. This option is designed for members who expect to have their super invested for at least 7 years and who are willing to accept fluctuations in returns over the short to medium term.	This option invests a predominant proportion in growth assets such as Australian and international equities, with the balance invested in defensive assets such as fixed income. This option is designed for members who expect to have their super invested for at least 5 years and who are willing to accept fluctuations in returns over the short to medium term.	This option invests a moderate proportion in growth assets such as Australian and international equities, with the balance invested in defensive assets such as fixed income. This option is designed for members who expect to have their super invested for at least 5 years and who are willing to accept fluctuations in returns over the short term.

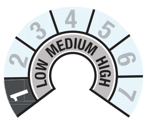
Strategic Asset Allocation[1]

Growth assets	Target	Range	Target	Range	Target	Range	Target	Range	Target	Range
Australian equities	33%	20 - 50%	28%	15 - 40%	25%	15 - 35%	18.5%	5 - 30%	9%	0 - 20%
International equities	36%	15 - 60%	28.5%	15 - 50%	24.5%	10 - 45%	17.5%	5 - 30%	10%	0 - 25%
Infrastructure	5%	0 - 30%	5%	0 - 30%	5%	0 - 20%	4%	0 - 20%	3%	0 - 20%
Property	6%	0 - 30%	9%	0 - 30%	8%	0 - 20%	5%	0 - 20%	5%	0 - 20%
Growth alternatives	10%	0 - 25%	15%	0 - 25%	10%	0 - 20%	14%	0 - 20%	13%	0 - 20%
Private equity	5%	0 - 10%	2.5%	0 - 10%	2.5%	0 - 10%	0%	0 - 10%	0%	0 - 10%
Total	95%	85 - 100%	88%	75 - 95%	75%	65 - 85%	59%	50 - 70%	40%	30 - 50%
Defensive assets	**Target**	**Range**	**Target**	**Range**	**Target**	**Range**	**Target**	**Range**	**Target**	**Range**
Fixed income	4%	0 - 10%	7%	0 - 20%	14%	0 - 30%	20%	5 - 35%	30%	15 - 45%
Defensive alternatives	0%	0 - 10%	3%	0 - 10%	7%	0 - 15%	11%	0 - 20%	15%	0 - 30%
Cash	1%	0 - 10%	2%	0 - 10	4%	0 - 10%	10%	0 - 20%	15%	0 - 30%
Total	**5%**	**0 - 15%**	**12%**	**5 - 25%**	**25%**	**15 - 35%**	**41%**	**30 - 50%**	**60%**	**50 - 70%**

	High Growth	Growth	Balanced	Conservative Balanced	Conservative
Minimum timeframe	Long term – at least 10 years	Long term – at least 7 years	Long term – at least 7 years.	Medium to long term – at least 5 years	Medium to long term – at least 5 years.
Level of investment risk[2]	 High risk. The estimated number of negative returns in a 20 year period is 4-6 years.	 High risk. The estimated number of negative returns in a 20 year period is 4-6 years.	 Medium to high risk. The estimated number of negative returns in a 20 year period is 3-4 years.	 Medium risk. The estimated number of negative returns in a 20 year period is 2 to less than 2-3 year.	 Low to medium risk. The estimated number of negative returns in a 20 year period is 1-2 years.

1 Strategic Asset Allocations may change from time to time within asset class ranges.
2 The level of investment risk is based on statutory reporting standards.
Please refer to 'Level of investment risk' on page 20.

Retirement Scheme Investment Options (continued)

	Cash	
Investment return objective	This investment option aims to achieve a return of CPI + 0.25%p.a. over 1 year (after fees and taxes).	
Description	This option invests predominantly in short-term Australian money market assets. This option may suit members who expect their super to be invested for the short term.	
Strategic Asset Allocation		
Defensive assets	Asset classes	Asset allocation
	Cash	100%
	Total defensive assets	100%
Minimum timeframe	No minimum.	
Level of investment risk[1]		Very low risk. The estimated number of negative returns in a 20 year period is nil.

1 The level of investment risk is based on statutory reporting standards. Please refer to 'Level of investment risk' below.

Level of investment risk

The Standard Risk Measure (SRM) is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of fees and other costs or tax on the likelihood of a negative return.

You should ensure that you are comfortable with the risks and potential losses associated with your chosen investment options. Below is a table that outlines the labelling used in the SRM:

Standard Risk Measure

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

Review of investment options

We regularly review the investment options and may from time to time make changes e.g. to the asset allocation ranges, the assets and the investment objectives. Where significant changes are made to the options, we will notify members either via **eisuper.com.au**, in the EISS Super Annual Report or by writing to you directly.

Ethical investing

We try to achieve ethical investing by encouraging our appointed investment managers to incorporate environmental, social and governance (ESG) considerations into their investment decision making process.

We do not take into account any specific labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments in any of the investment options. However, there is an expectation that the chosen investment managers will consider such issues when investing.

Energy Investment Fund (EIF)

EIF is a wholesale investment trust through which the majority of the assets of the Scheme are invested. The trustee of EIF is EIF Pty Limited, a wholly owned subsidiary of Energy Industries Superannuation Scheme Pty Limited, which is the trustee of the Scheme.

We, through our ownership of EIF Pty Limited, are responsible for selecting and managing the investment managers which collectively manage the assets of EIF.

We adhere to the guiding principle that several carefully selected investment managers will over any reasonable period, produce:

- greater consistency;
- lower volatility and risk; and
- better results.

Diversification

The assets are allocated to a range of investment managers, which ensures diversification of both investments as well as investment managers. The actual investment managers used to manage the assets of EIF will change from time to time, as will the value of the assets that they manage. Updated details will be provided in the EISS Super Annual Report.

Investment returns

Up-to-date information about the investment returns for each investment option will be set out in the EISS Super Annual Report. Information about recent investment performance is also available at **eisuper.com.au/performance** or by contacting us. You should be aware that past performance is not a reliable indicator of future performance.

Unit pricing

When you invest in one of our investment options (including when you make a contribution), units will be issued to you. The number of units issued will be dependent on the amount you have to invest and the unit price on the date of investment. Similarly, when you exit a particular investment option (either because you have switched investment options, requested a benefit payment or rolled over your benefits), the value of the amount withdrawn from the investment option is dependent upon the unit price on the date of withdrawal.

We apply forward unit pricing for most transactions, including contributions, transfers in and investment switches. This means that the unit price for a particular Business Day (the 'Valuation Date') is the net asset value of the investments on that day divided by the total number of units on issue on that day. The net asset value is the valuation of assets in the investment option as determined on the Valuation Date after allowing for fees, taxes and other costs.

With a policy of forward unit pricing, the unit price on a particular day is not known at the time a transaction such as a contribution or investment switch, is submitted but is subsequently calculated once the valuation is complete. In contrast, for transactions such as withdrawals, the latest available unit price is used.

There may be times when unit prices are not able to be calculated on a particular day because it is not practical to value the units on that day. For example, this may occur in times of extreme market volatility. If unit prices are not calculated on a particular day, we may suspend transactions.

Unit prices may rise as well as fall. Unit prices may fluctuate on a daily basis in line with changes in the market value of the assets held in an investment option. We do not guarantee the repayment of capital or any particular rate of return.

Please note a 'Business Day' is a day that the Australian Securities Exchange is open for trading in Australia.

All online investment switches will be subject to a cut-off time of 4.59pm, on a Business Day.

Reserves

We hold and maintain reserves to protect member benefits. These reserves can be used for unit price adjustments or any other event that, in our opinion is in the best interest of members.

Operational Risk Financial Requirement (ORFR) Reserve

The Operational Risk Financial Requirement (ORFR) Reserve complies with prudential requirements and can only be utilised for the purpose of rectifying losses to members and/or beneficiaries of the Retirement Scheme caused by operational risk events such as incorrect benefit payments due to human or system error, unit pricing errors and loss of data.

Trustee Costs Reserve

The Trustee Costs Reserve was established as a general reserve to protect member investments against losses resulting from strategic, operational and reputational risk events that are not covered by the ORFR Reserve.

Additional Benefits Reserve

The Additional Benefits Reserve is money for certain members that have applied to pay an additional levy in order to receive an additional benefit in the event the member dies or was totally and permanently disabled prior to retirement age. Insurance is offered to members of the Scheme on a 'self-insured' basis.

4. Fees and other costs

Did you know?

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

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

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

The above Consumer Advisory wording is government prescribed wording. Lower administration fees cannot be negotiated with us.

Overview

This section shows fees and other costs that you may be charged.

These fees and costs may be deducted from:

- your money;
- the returns on your investment; or
- the Scheme assets as a whole.

Other fees, such as activity fees and advice fees for personal advice may also be charged but these will depend on the nature of the activity or advice chosen by you.

Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Changes to Fees and Other Costs

If changes are made to the fees and other costs then updated fee information will be available at eisuper.com.au/ICR or by contacting us on **1300 369 901**. Material changes will be notified in writing directly to members.

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

Fees and Costs

Type of fee	Amount		How and when paid[1]
Investment fee	Nil		n/a
Administration fee	75 cents per week ($39 pa)		Deducted monthly directly from your account.
Buy-sell spread	Nil		n/a
Switching fee	Nil		n/a
Exit fee	Nil		n/a
Advice fees relating to all members investing in a particular investment option(s)	Nil		n/a
Other fees and costs[2]			
Indirect cost ratio (ICR)[3]	High Growth	1.17% p.a.	This is deducted by EISS Super or the underlying investment manager from the assets of the investment option and reflected in the daily unit price.[3]
	Growth	1.13% p.a.	
	Balanced	1.04% p.a.	
	Conservative Balanced	1.00% p.a.	
	Conservative	0.92% p.a.	
	Cash	0.61% p.a.	

1 The 'How and when paid' column of the 'Fees and Costs' table sets out how fees and costs are paid and generally these are either paid directly from a member's account or deducted from investment earnings.

2 For information about other fees and costs, please refer to the 'Additional explanation of fees and costs' section on page 24.

3 The ICR is indicative only, based off the indirect costs incurred for each relevant investment option for the previous Financial Year or where not available, an estimate based on the best available information.

Example of annual fees and costs for the Retirement Scheme

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

EXAMPLE – Conservative Balanced		Balance of $50,000
Investment fees	Nil	For every $50,000 you have invested you will be charged $0 each year.
PLUS Administration fees	$39	And, you will be charged $39 in administration fees regardless of your account balance.
PLUS the Indirect cost ratio	1.00%	And, indirect costs of $500 each year will be deducted from your investment.
EQUALS Cost of product	If your balance was $50,000, then for that year you will be charged fees of $539.[4]	

4 Additional fees may apply.

Additional explanation of fees and costs

Indirect Cost Ratio (ICR)

The Indirect Cost Ratio (ICR), for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

These costs are referred to as indirect costs because these are not deducted directly from your account, instead these costs indirectly reduce your investment value or return. The ICR is intended to facilitate comparisons of products across superannuation funds.

We rely on the information provided by the investment managers to calculate the ICR using actual amounts and, where the actual amount is not known and cannot reasonably be known we use estimates. We have made enquiries to obtain the most complete information available.

Administration fee

A fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

- borrowing costs; and
- indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
- costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

The Trustee has elected to treat the administration fees and costs incurred through investments as indirect costs forming part of the ICR.

Investment fee

A fee that relates to the investment of the assets of a superannuation entity and includes:

- fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- costs that relate to the investment of assets of the entity, other than:
  - borrowing costs; and
  - indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
  - costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

An investment fee is a fee that relates to EISS Super's exercise of care and expertise in the investment of EISS Super's assets. The Trustee has elected to treat the investment fees and costs as indirect costs forming part of the ICR.

Performance Fees and Performance Related Fees

We do not charge a performance fee directly in any of our investment options. Some of the investment managers that we use may charge performance related fees when they outperform an agreed performance benchmark. The fees that investment managers may receive and performance benchmarks that their performance is measured against vary from time to time. It is not possible to accurately estimate future performance-related fees because of the nature of fluctuating investment markets, each investment manager's actual performance and their contractual arrangements. Performance-related fees are not directly deducted from member accounts. Performance related fees are an indirect cost and form part of the ICR detailed in the fees and costs table on page 26.

Tax

Refer to section 'How super is taxed' on page 27 for information on the tax applicable to your benefits. The benefit of tax deductions is passed onto members in the course of netting off these tax benefits against taxable income, as available to the fund. This is reflected in the ICR.

Insurance fees

> A fee is an insurance fee if:
>
> - the fee relates directly to either or both of the following:
>   - insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity;
>   - costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the provision of insurance for a member or members of the entity;
> - the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
> - the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

Refer to the section 'Insurance' on page 8 for information on the insurance available.

Adviser Remuneration and Advice fee

> A fee is an advice fee if:
>
> - the fee relates directly to costs incurred by the trustee, or the trustees, of a superannuation entity because of the provision of financial product advice to a member by:
>   - a trustee of the entity; or
>   - another person acting as an employee of, or under an arrangement with, a trustee or trustees of the entity; and
> - those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

We can provide financial advice to members. Our financial planners are paid a salary and do not receive bonuses or commissions. Planner remuneration forms part of the ICR. You may choose to obtain your own financial advice and incur a separate advice fee for that financial advice.

If your investment is made through a licensed financial planner, depending on your circumstances and the type of advice provided, your financial planner may charge you a percentage or a dollar based fee for their advice. On your instruction, this fee may be deducted from your OC account. Please note, advice fees are set by negotiation between you and your financial planner. If you are issued with a Statement of Advice from a financial planner, it will include details of the fees and costs of your financial planner.

Any advice fees paid to your financial planner are in addition to any indirect costs. Importantly, not all advice will incur an advice fee and in many cases, we will still be able to provide you with financial advice at no additional cost, depending on the type and scope of advice provided.

Transactional and Operational costs

Transactional and operational costs include the following:

- brokerage;
- buy-sell spread;
- settlement costs (including custody costs);
- clearing costs;
- stamp duty on an investment transaction;
- costs incurred in or by an interposed vehicle that would be transactional and operational costs if they had been incurred by the superannuation entity to which the superannuation product or investment option relates; and
- for a superannuation product does not include borrowing costs or costs that are indirect costs related to certain derivative financial products.

Some, but not all, transactional and operational costs are included in the ICR.

Borrowing Costs

> Borrowing costs for a superannuation product are costs that relate to a credit facility that is not a derivative financial product that is provided to the superannuation fund trustee, or an interposed vehicle or a trustee of an interposed vehicle in or through which the property of the superannuation fund is invested. The costs of derivative financial products are disclosed separately — either as indirect costs or investment fees.

The Trustee invests in interposed vehicles that incur borrowing costs. The amount borne by the particular investment options varies and those amounts are set out in the table on page 26. Borrowing costs are recovered from the revenues of the particular investment prior to the distribution of any earnings from the investment.

These borrowing costs do not form part of the ICR, so is an additional cost for members.

Property Operating Costs

> Property operating costs for a superannuation product are amounts paid or payable in relation to the holding of or interest in real estate assets.

The Trustee also invests in interposed vehicles that either hold real estate or have an interest in real estate. The amount of property operating costs borne by the particular investment option varies and those amounts are set out in the table on page 26.

Property operating costs are recovered from the revenues of the particular investment prior to the distribution of any earnings from the investment. These property operating costs do not form part of the ICR, so is an additional cost for members.

Table of Performance-Related Fees, Transactional and Operational Costs, Borrowing Costs and Property Operating Costs

The following table is a breakdown (to the extent known or estimated) of performance-related fees, transactional and operational costs, borrowing costs and property operating costs. Some of these fees and costs are included in the ICR, while others are not. Costs not included in the ICR include certain implicit transactional and operational costs, the costs of certain derivative financial products, borrowing costs and property operating costs. Implicit transactional costs include bid-ask spread, which is the difference between the price paid for acquiring an asset and the price that would be payable if it were disposed of.

Performance related fees, transactional and operational costs, borrowing costs and property operating costs by investment option (%)

	Costs included in the ICR		Costs not included in the ICR		
Investment option	Performance related fees	Transactional and operational costs	Transactional and operational costs	Borrowing costs	Property operating costs
High Growth	0.11%	0.12%	0.04%	0.07%	0.04%
Growth	0.04%	0.13%	0.04%	0.09%	0.04%
Balanced	0.04%	0.11%	0.04%	0.08%	0.04%
Conservative Balanced	0.00%	0.10%	0.05%	0.08%	0.04%
Conservative	0.00%	0.08%	0.05%	0.07%	0.03%
Cash	0.00%	0.00%	0.02%	0.00%	0.00%

Activity fees

A fee is an activity fee if:

- the fee relates to costs incurred by the trustee, or the trustees, of a superannuation entity that are directly related to an activity of the trustee, or the trustees:
  - that is engaged in at the request, or with the consent, of a member; or
  - that relates to a member and is required by law; and
- those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

Request for Family Law information fee

This fee is for the provision of information about a member's account in relation to a family law split. The Trustee does not charge a fee for this service.

Benefit split fee

This is a fee associated with a family law court split. The Trustee does not charge a fee for this service.

Other defined fees

Buy-sell spread: A fee to recover transaction costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the sale and purchase of assets of the entity.

Switching fee: A fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one class of beneficial interest in the entity to another.

Exit fee: A fee to recover the costs of disposing of all or part of members' interests in a superannuation entity.

The Trustee does not charge a buy-sell spread, switching fee or exit fee.

Alterations to fees and costs

Fees are determined and reviewed regularly by us. We may vary the fees without your consent but where required to, will provide you with at least 30 days' notice in advance of any increases to fees and costs.

The ICR is for the financial year ended 30 June 2018. The Trustee has estimated the ICR based on the information available to it at the time of issue of this PDS. The ICR may change for the financial year ended 30 June 2019. The extent of any change is not reasonably quantifiable at present.

5. How super is taxed

Taxation rules that apply to super can be complicated. The following overview of the tax treatment of super is a guide only and represents our understanding of taxation law as at the date of this PDS. You should seek professional taxation advice which is specific to your circumstances to understand the impact of tax on your super.

Types of tax

Contributions tax

Contributions tax is 15% and is levied on all concessional contributions and untaxed amounts rolled over from another fund.

Concessional (before tax) contributions

Concessional contributions are contributions which are paid by your employer as either part of their obligatory requirements or on your behalf out of your pre-tax salary. Concessional contributions are taxed at 15% provided you have supplied your Tax File Number (TFN).

Concessional contributions in the Retirement Scheme include:

- Notional Taxed Contributions (NTC) representing the notional employer contributions for the Employer Financed Benefit and Basic Benefit;
- award based or additional employer contributions; and
- salary sacrifice contributions.

Special rules apply to work out the amount of concessional contributions in defined benefit funds. For more information, please refer to the Concessional Contributions fact sheet, available at **eisuper.com.au/factsheets**.

Concessional contributions cap

There is a cap on the amount of concessional contributions that you and/or your employer can make in a financial year.

The concessional contributions cap for 2018/19 is $25,000 per financial year for all individuals regardless of age. The cap is indexed to increase periodically.

Amounts exceeding the concessional contributions cap

Amounts in excess of this cap will be included in your assessable income and taxed at your marginal tax rate, with an offset allowed for the 15% contribution tax already deducted within the fund. If the Australian Taxation Office (ATO) notifies you that an additional tax amount is to be paid for amounts in excess of the cap, you can nominate to release monies from your Other Contributions (OC) Account (if you have one) to pay the liability or you can pay the ATO directly. If you do not have an OC Account or the balance of your OC Account is not large enough, you will need to pay the excess contributions tax from your own money.

Please note, amounts in excess of the cap will also count towards the non-concessional contributions cap if not released.

Unused concessional contributions cap carry-forward

You may be able to increase your concessional contributions in a financial year by applying previously unused concessional contribution cap amounts. The following rules apply:

- You can start accruing unused concessional contribution cap amounts from 1 July 2018,
- You can carry forward unused cap amounts if your total super balance was less than $500,000 on 30 June of the previous financial year,
- You can carry forward unused cap amounts for up to five (5) financial years,
- The first financial year you can access any unused cap amounts you have carried forward is 2019/20.

For more information about concessional contributions and the cap, please refer to the 'Contribution Caps' fact sheet at **eisuper.com.au/factsheets**.

High Income Contributions Tax

If your adjusted taxable income is greater than $250,000 in a financial year, you will effectively pay an additional 15% tax on concessional contributions up to the concessional contributions cap. If your income, excluding your before tax contributions, is less than $250,000, but the inclusion of your before tax contributions causes your income to exceed $250,000, the additional tax will only apply to the portion of your before tax contributions that are above $250,000. For more information, please visit **ato.gov.au**.

Non-concessional (after tax) contributions

Non-concessional (after tax) contributions include personal and spouse contributions. These contributions are not taxed when allocated to your account.

There is a cap on the amount of non-concessional contributions that you can make in a financial year and non-concessional contributions are capped at $100,000 for 2018/19 and indexed to increase periodically.

You are eligible to make non-concessional contributions and bring forward future years contribution amounts providing that:

- the total amount held by you across all super and pension accounts is less than $1.6 million;
- you have not already brought forward the full future amounts allowable; and
- where you are over age 65 you satisfy the work test, however you cannot bring forward future contributions.

Total balance held in super and pension

Total balance on 30 June 2018	Maximum Non-concessional Contributions cap for the first year	Bring-forward period
< $1.4m	$300,000	3 years
$1.4m to < $1.5m	$200,000	2 years
$1.5m to < $1.6m	$100,000	None
$1.6m	Nil	n/a

If you exceed this cap, you can elect to have the excess amount refunded and 85% of any associated earnings. The full amount of associated earnings will be added to your assessable income and taxed at your marginal tax rate with a 15% tax offset.

If you choose not to have the excess refunded then the excess will be taxed at the highest marginal tax rate which is currently 47% (this includes the 2% Medicare levy).

Acceptance of non-concessional contributions

The following conditions need to be satisfied for you to make non-concessional contributions:

- your TFN must have been supplied to the Retirement Scheme. If your TFN has not been supplied the contribution will not be accepted and will be refunded;
- between ages 65 and 70, you will need to satisfy the work test which requires that you have worked at least 40 hours in a period of not more than 30 consecutive days during the financial year to which the contributions relate; and
- persons must be under age 70 to be able to make non-concessional contributions to the Retirement Scheme.

Transfer Balance Cap

In simple terms, the transfer balance cap means that you cannot transfer more than $1.6 million to any single pension account or across multiple pension accounts (excluding TTR pension accounts). If you exceed the transfer balance cap:

- you will become liable to pay excess transfer balance tax on deemed earnings on the excess amount above the cap; and
- you will have to remove the excess amount (plus any deemed earnings) by either rolling the amount to a super account or withdrawing it from the pension account.

Retirement Scheme pensions

As commutation restrictions apply to Retirement Scheme pensions, special rules apply. The 'special value' of these pensions for the purpose of the transfer balance cap is calculated by multiplying your annual pension payments by 16. Where a pension is given a capital value of over $1.6 million (i.e. more than $100,000 p.a.), you will not be required to commute the excess amount of your pension from the retirement phase. However in order to maintain a similar taxation outcome, the amount of the annual pension payment above $100,000 p.a. will become subject to income tax. Specifically, 50% of your pension payments that exceed $100,000 p.a. will be included in your assessable income and will be taxed at your marginal tax rate.

If you have additional funds in a non-defined benefit retirement pension account, such as an account-based pension, the special value of your defined benefit pension and the balance of all other retirement pension accounts needs to have a total value of under $1.6 million. If the combined value is above $1.6 million, you will have to remove the excess amount (plus any deemed earnings) in the non-defined benefit pension account by either rolling the amount to a super account or withdrawing it from the pension account.

Tax on investment earnings

Tax is generally levied on investment earnings at a maximum of 15%. However, the actual rate of tax may be reduced due to certain tax credits and rebates available to the Scheme.

Low rate cap

A low-rate cap is the limit that applies to lump sums from your super account paid from a taxed benefit after the age of 55 but before the age of 60 that you can receive at a lower or nil rate of tax. After reaching age 60, your entire benefit can be withdrawn tax free.

The low rate cap is a lifetime limit.

Income year	Amount of cap
2018/19	$205,000

Goods and Services Tax (GST)

Contributions to and withdrawals from the Retirement Scheme are not subject to GST. However, we may pay GST on certain services required in the process of managing the Scheme, such as fees paid to investment managers. In respect of some of those GST amounts paid by us, we can claim back 75% or 55% (depending on the item) of the GST paid as a reduced input tax credit, effectively lowering the amount of any GST paid.

Surcharge

The Federal Government has abolished the surcharge levy upon high income earners from 1 July 2005. However, any assessments received for periods prior to this date remain payable to the Retirement Scheme as we have already paid these amounts to the ATO on your behalf. Any Surcharge Debt amounts will be deducted from your benefit at the time of exit.

Non disclosure of your Tax File Number (TFN)

Once you become a member of the Retirement Scheme you should ensure that you provide us with your TFN as soon as possible. This will allow us to accept all types of contributions to your account and apply the standard rates of tax to them.

If you do not provide us with your TFN, employer contributions made on your behalf may be taxed at the highest marginal rate plus Medicare levy. Additionally, we will not be able to accept personal contributions from you. You may also incur additional tax on any withdrawals you make from your account as a consequence of not providing us with your TFN.

If you decide to provide us with your TFN later, you may be able to have the additional tax paid refunded if your TFN is provided within four (4) years of the tax being deducted and you are still a member of the Retirement Scheme.

Invalidity benefits

An additional invalidity tax free concession may apply to an invalidity benefit provided that the illness or injury is deemed to be total and permanent.

Applicants will be asked to produce evidence of total and permanent invalidity, as required by super law, in order to qualify for this tax concession.

Terminal illness benefits

No tax is payable on a benefit for a member who has been approved for a payment under the Terminally ill condition of release.

Applicants will be asked to produce evidence of terminal illness, as required by super law, in order to qualify for this tax concession.

Tax on pension payments and lump sum withdrawals

The tax treatment depends on your age and tax components.

Pension payments are taxed on a Pay-As-You-Go (PAYG) basis. However, part or all may be tax-free depending on your age, eligibility for tax offsets and the income tax-free threshold. Please note, only some members in accordance with special provisions (please see page 2) are eligible to be paid a pension from the Retirement Scheme. For more information, please contact us.

Tax on defined benefit pension payments of more than $100,000 p.a.

The defined benefit income cap is $100,000 in 2018/19 and will increase in line with indexation of the general transfer balance cap. If your Retirement Scheme pension payment exceeds the defined benefit income cap of $100,000 (indexed), 50% of the pension payment amount over $100,000 a year will be counted towards your assessable income and taxed at your marginal tax rate. The first $100,000 p.a. will be taxed as below. For further information relating to this refer to the ATO website ato.gov.au.

Age 60 or over?

If you are age 60 or over, no tax is payable on your pension payments or lump sum withdrawals and these don't need to be declared when you lodge a tax return.

Under age 60?

If you are under age 60, tax on the taxable component of your pension payments or lump sum payments may be payable.

Tax-free component

The tax-free component of your super is generally made up of your non-concessional contributions plus any crystallised tax-free amounts at 30 June 2007. If your super is released due to permanent incapacity, the tax-free component will be increased if you are under age 65. No tax is payable on the tax-free component.

Taxable component

The taxable component is the balance of your super lump sum less the tax-free component. The taxable component is taxed depending on your age and how the payment is made.

Tax on pension payments

The table below shows how the taxable component of defined benefit pensions (the first $100,000 p.a.) is taxed:

Your age	Tax on the taxable component
Under preservation age	Marginal tax rate plus Medicare levy
Preservation age or over but under age 60	Your marginal tax rate inclusive of Medicare levy less 15% tax offset applies.
60 or over	No tax

15% pension tax offset

If you are aged between preservation age and 60 then you may be entitled to a 15% tax offset on the taxable component of your pension payments.

The 15% tax offset reduces your tax liability on your pension payments. For example, if you have elected to receive a pension of $10,000 and your tax-free portion is 25%, the assessable amount is $7,500 for tax purposes. Based on these amounts, a tax offset of $1,125 (15% of $7,500) will reduce the tax you need to pay.

There is no tax offset if you are under preservation age unless you are totally and permanently disabled.

Tax on lump sum withdrawals

Lump sum payments may contain a tax-free and a taxable component and are subject to different tax rates depending on your age, the components and the amount withdrawn, as outlined in the table below:

Your age	Tax on the taxable component
Under preservation age	Up to 22% inclusive of Medicare levy.
Preservation age or over but under age 60	Up to $205,000[1] - 0%. Over $205,000[1] - Up to 17% inclusive of Medicare levy.
60 or over	No tax

1 Subject to indexation. This figure is for 2018/19.

Social Security

Social security benefits depend on individual circumstances. Pension benefits may not only affect your social security entitlement, but also those of your spouse and/or dependants who may receive a benefit or pension after your death. You should seek advice from a suitably qualified professional about how this may affect you.

The pension payments are assessed under the income test less any deductible amounts. The deductible amount is capped at 10% of your gross payment. Please note the capping does not apply to Veterans' Affairs pensioners. The capital used to assess the pension is not assessed as an asset.

Tax on death benefits

Tax payable on death benefits depends on whether the benefit is paid to a 'dependant' or 'non-dependant' and whether the benefit is paid to them as a lump sum or an income stream.

Dependants

For tax purposes, a 'death benefit dependant' may be:

- a spouse (including a de facto spouse, same sex spouse or a former spouse);
- a child of the deceased under age 18;
- a person with whom the deceased had an interdependency relationship with at the time of the death; and
- a person who was dependent on the deceased at the time of death.

No tax is payable on the tax-free component of a death benefit. The taxable component may be subject to tax as follows:

Tax on death benefits – lump sum payments paid to dependants

Age of deceased	Age of recipient	Maximum tax rate
Any age	Any age	0%

Tax on death benefits – paid as an income stream to dependants

Age of deceased	Age of recipient	Maximum tax rate
60 and above	Any age	0%
Below 60	60 and above	0%
Below 60	Below 60	Marginal tax rate plus Medicare levy less 15% tax offset

Non-dependants

If someone is not a dependant for tax purposes, the taxable component of a death benefit payment to a non-dependant may be subject to tax as follows:

Tax on death benefits – lump sum payments paid to non-dependants

Age of deceased	Age of recipient	Maximum tax rate
Any age	Any age	15% plus Medicare levy

Death benefits cannot be paid to a non-dependant as an income stream.

We recommend that you seek advice from your financial planner about how the tax laws apply specifically to you and your spouse, estate and dependants.

6. Other information

Member statements

Your member statement will show the balance of your account as at the statement date, provide information on net investment earnings and a list of all transactions that have taken place during the statement period.

Annual Report

We provide members with the EISS Super Annual Report which provides information on the management and financial condition of the Scheme including the investment performance.

The report is available at **eisuper.com.au/annual-reports** or you can contact us to request a free copy.

Complaints

We strive to provide a high standard of member service. If however, you are dissatisfied with the service you receive or a decision which affects you, you may lodge a complaint with us by writing to:

Complaints Resolution Officer
EISS Super
GPO Box 7039
Sydney NSW 2001

Alternatively, you may forward an email to **complaints@eisuper.com.au** or contact us.

If we do not resolve your complaint to your satisfaction, external dispute resolution is available to you. We will provide you with the details in our complaints process.

Protecting your privacy

We are required to comply with relevant privacy laws.

The personal information that we collect is used to process your application, administer your account(s), provide you with services and conduct research about how to improve our services and products.

If you do not give us your personal information or provide us with incomplete or inaccurate personal information, we may not be able to provide you benefits and services.

Unless required or authorised by law, we will only provide your personal information to authorised service providers who use the information to administer your account and provide services to you on our behalf such as our administrator, auditors, lawyers and insurance providers.

Your personal information will not be sent outside Australia except in instances where you are permanently relocating overseas to New Zealand and request that we transfer your superannuation benefits.

A limited number of transactions may also be processed outside Australia in certain circumstances, on an exceptions basis.

Ordinarily, we do not send personal information overseas.

For more information, please refer to our Privacy Policy available at **eisuper.com.au/privacy** or contact us. Our Privacy Policy includes information about how you may access your personal information, correct any personal information that may be incorrect and how you may complain about a possible breach of privacy.

Family Law

The Family Law Act 1975 takes account of super entitlements when negotiating settlements resulting from marriage breakdowns and for the ‘splitting’ of those entitlements between the parties involved. For further information, please read the Family Law fact sheet available at **eisuper.com.au/factsheets** or call us.

Anti-Money Laundering and Counter-Terrorism Financing

We do not accept cash nor do we make payments to third parties where we are not authorised to do so by the regulator, Court or the law.

To meet our legal obligations and to manage our money laundering and terrorism financing risks, we must be reasonably satisfied that you are who you say you are, especially when you request any type of withdrawal from your account. This is in addition to our business requirements to be satisfied that you are the owner of your account and that the instruction we have received is valid.

At a minimum, we must verify your full name and date of birth, especially when you request any type of withdrawal. We may seek additional information to meet our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

Additionally, we are required to monitor your transactions for the purpose of identifying, having regard to money laundering or terrorism financing risk, any transaction that appears to be suspicious within the terms of the legislation. Suspicious matters include suspicions about your identity, tax evasion, offence against a Commonwealth, State or Territory law, proceeds of crime, money laundering, terrorism financing or transactions that have no apparent economic or visible lawful purpose. We employ both human judgement and data analysis to identify such transactions.

We will report any such suspicious matters plus any threshold transactions or international funds transfer instructions to the regulator, AUSTRAC.

7. Glossary

Additional Benefit Cover	Provides financial protection to members or their dependants in the event of a members' death or total and permanent disablement. It is an additional benefit amount payable on exit from the scheme when the member exits prior to normal retirement age.
Basic Benefit	Non contributory fully employer funded benefit. The basic benefit is calculated at 3% of final average salary or final salary (depending on the circumstances of exit) for each year of service from 1 April 1988. This portion is financed by the employer.
Contribution Rate	This refers to the amount a member must contribute for their units. A member must contribute between 1% and 9% of their Superable Salary to the Retirement Scheme.
Contributor Financed Benefit	The part of the benefit which is financed by member contributions and investment earnings.
Early Retirement Age	Generally 58 years of age but depends on the category of membership.
Employer Financed Benefit	The part of the benefit that is financed by employer contributions.
Final Salary	The amount of annual superable salary payable to an employee on their exit date.
Final Average Salary	The average of the annual superable salaries paid to an employee on their exit date and on 31 December for the preceding two years.
LWOP	Leave without pay.
Minimum Requisite Benefit	All Employer Financed Benefits accrued from 1 July 1992, must meet the requirements of the Superannuation Guarantee (SG) legislation. This means that the value of those benefits must equal the amount that would have accrued had the employer paid SG contributions into an accumulation super fund.
Other Contributions (OC) Account	This is the accumulation component of the Basic Benefit. Members who wish to contribute additional amounts to their accounts, contribute these additional contributions to the Other Contributions account.
Personal Contributions	The amount of contributions which a member makes to the Retirement Scheme from their salary. Also known as a defined contribution.
Retrenchment	Retrenchment occurs when the employer compulsorily terminates the members services, or the member accepts an offer of redundancy, on the grounds that; ▪ the employer no longer requires the member's services and, on termination of that service, does not propose to fill the member's position; ▪ the work that the member was engaged to perform is completed; or ▪ the amount of work that the employer requires to be performed has diminished and it is necessary for the employer to reduce the total number of employees.
Salary Sacrifice	A contribution made to super from an employees pre-tax income. Salary sacrifice contributions reduce your taxable income and are known as concessional contributions upon entry into the super fund.
Superable Salary	Superable Salary means for a full-time employee, the sum of: ▪ the remuneration, salary or wages payable in money to the contributing member, as reported to us from time to time by the contributing members employer, including: – a loading in respect of any shift allowance, as determined in accordance with the Trust Deed; – other allowances payable in money that are of a kind included within the value of leave paid on termination of employment; and – weekly workers compensation paid to the Contributor as from the date the weekly workers compensation commences to be paid, but not including the excluded amounts or allowances referred to in the Trust Deed; and – if approved employment benefits are provided to the Contributor, the cost of providing the approved employment benefits, as determined by the Trustee. For more information, please refer to page 7.
Scheduled Employer	Means an employer responsible for making contributions for the benefit of the employee under any of Divisions B or C of the Fund.
Spouse or Partner	A spouse may be the widow or widower of the deceased, or a de facto partner, including a partner of the same sex.