Changes impacting your Asgard Employee Super Account

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It's important to keep on top of your super to ensure it's working for you. As the trustee of Asgard Employee Super Account ('Asgard Employee Super'), we're committed to helping you to understand the important changes that recently came into effect.

We've updated our Asgard Employee Super – Product Disclosure Statement ('PDS') on 1 July 2015. The important changes in this notice relate to your account.

We've also updated the Asgard Personal Protection Package Product Disclosure Statement ('APPP PDS') on 1 July 2015. An important change from this APPP PDS update is detailed in item 2 below. **Please note** that the Asgard Personal Protection Package is generally available to family members of Asgard Employee Super members.

The changes in this notice will impact some members more than others. Please take the time to review the information carefully to ensure you're aware of the changes and how they may affect you.

If you have any questions, please call us on 1800 998 185, or discuss them with your financial adviser.

Important changes at a glance

	Change	Do you need to do anything?
1.	Changes to the frequency of Australian Taxation Office ('ATO') tax instalments	No action is required from you
2.	Change to medical certificates for Terminal Illness Benefit (applicable to Asgard Personal Protection Package insurance only)	If you're making a Terminal Illness Benefit claim, medical certificates must be provided to us within 12 months from when they were signed
3.	Terminal medical condition 12 month period to be extended	No action is required from you
4.	Expense Recovery – Additional information	No action is required from you
5.	Changes to the preservation age	If you were born after 30 June 1960, please consider this information before making a withdrawal from your account
6.	Beneficiaries can now choose for death benefits to be paid as pension or lump sum	If you're nominating or changing your death benefit nomination, please consider this information before making a nomination
7.	Changes in the MySuper Lifestage Investment – Strategic Asset Allocation	No action is required from you
8.	Changes in the Investment objectives for the Asgard MySuper 1940's & 1950's Lifestage Investments	No action is required from you

1. Changes to the frequency of ATO tax instalments

From 1 January 2016, we're required to pay tax provisions from your account on a monthly basis in order to comply with Australian Taxation Office ('ATO') obligations. This change means we will need to pay tax provisions from your account more often, but it won't increase the amount of tax we need to deduct from your account over the course of each financial year.

Tax on taxable contributions, investment income and capital gains is provisioned within your account up to a rate of 15%. Currently, the provision balance remains invested in your account for your benefit until it is required to be paid to the ATO through quarterly and annual tax instalments or when your account's closed. From 1 January 2016, this will change to monthly and annual tax instalments or when your account's closed.

Tax payments, where required, are deducted from your cash balance and may result in a sell down of investments if there is an insufficient cash balance at the time of payment.

2. Change to medical certificates for Terminal Illness Benefit (applicable to Asgard Personal Protection Package insurance only)

When making a Terminal Illness Benefit claim, medical certificates must now be provided to us within 12 months from when they were signed by the relevant practitioner.

3. Terminal medical condition 12 month period to be extended

The Australian Government has announced proposed changes to make it easier for people with a terminal medical condition to access their super. The proposed changes are effective from 1 July 2015.

Under the proposed changes, a person with a terminal medical condition can potentially access super benefits within 24 months of expected death (this is currently a 12 month period). For further information, please visit ato.gov.au.

4. Expense Recovery – Additional information

In July 2014, we notified you about Expense Recovery and updated our PDS. We've provided additional background here for your information only – no action is required.

Over recent years, the Australian Government has implemented a number of reforms affecting superannuation funds, including the Future of Financial Advice ('FOFA'), Stronger Super and the Operational Risk Financial Requirement ('ORFR').

ORFR requires us to maintain sufficient capital to cover operational risks such as a computer system failure, human error in administration processes, or the risk of external events, such as fraud. If an operational risk event occurs, this capital can be used to compensate members for losses. We incur expenses to maintain the capital held for the ORFR.

The reforms described above have required us to undertake a significant program of work, and have generated additional and ongoing expenses. In addition to the Trustee's duties and responsibilities to protect your super, the Australian Prudential Regulation Authority ('APRA') charges us a levy for APRA's role in supervising the superannuation industry.

Recovery of the above expenses all fall within the Expense Recovery. Most of these expenses are allocated as a flat dollar amount from each member's account in Asgard Employee Super.

For the Asgard SMA – Funds and Asgard Managed Profiles, the ORFR expense is allocated as a percentage based expense, based on your account balance and calculated at the time the expense is applied. It is included as part of the Expense Recovery for legislative requirements and government levies.

For MySuper Lifestage Investment, ORFR expenses have been taken into account in setting the level of the MySuper Administration fee, and are included within the existing MySuper Administration fee. The estimated Expense Recovery is set out in the 'Fees and other costs' section in the PDS. The exact amount deducted from your account will be confirmed in your periodic Investor Reports and online in your transaction history.

5. Changes to the preservation age

Your preservation age is the age at which you can access your super. From 1 July 2015, the preservation age will increase from 55 to 56 for individuals born after 1 July 1960.

The preservation age will progressively increase to 60 depending upon your date of birth – for example the preservation age for individuals born after 30 June 1964 will be 60.

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

Your preservation age determines how you're taxed on lump sum withdrawals. If you're aged 60 or over, withdrawals from your account are generally tax free. If you're under 60, you will generally be taxed as follows.

Age	Taxable component	Tax-free component
Under preservation age	A rate of 20% plus the Medicare levy	Nil
Preservation age to age 59	Amount up to the low rate cap[1]: Nil Amount above the low rate cap[1]: a rate of 15% plus the Medicare levy	Nil

1. The low rate cap is $195,000 for 2015/16, indexed to Average Weekly Ordinary Time Earnings ('AWOTE') and rounded down to the nearest $5,000 in subsequent years. Please refer to ato.gov.au for more information.

6. Beneficiaries can now choose for death benefits to be paid as pension or lump sum

A beneficiary to whom a death benefit is to be paid will have the ability to choose to receive the death benefit as either a lump sum (subject to certain restriction) or as a pension (if the beneficiary chooses to receive the benefit through the Asgard Allocated Pension Account only).

The Asgard Allocated Pension Account is issued by us. To obtain a copy of the Asgard Allocated Pension Account product disclosure statement, please speak to your financial adviser or call us on 1800 998 185.

The table below sets out the types of beneficiaries to whom death benefit may be paid and if the benefits can be paid as a lump sum or pension (through the Asgard Allocated Pension Account only).

Beneficiary to whom death benefit may be paid	How benefits can be paid
Spouse	Lump sum or allocated pension
Child under the age of 18	Lump sum or allocated pension#^
Child over 18 years of age who has a prescribed disability	Lump sum or allocated pension
Child over 18 years of age but under the age of 25 who was financially dependent	Lump sum or allocated pension^
Child over 25 years of age	Lump sum only
Other dependant	Lump sum or allocated pension
Non-dependant	Lump sum only

A lump sum benefit for a child under the age of 18 will generally be paid to the child's parent or guardian on trust for the child until the child turns 18 years of age.

Complete a child pension nomination (available from your financial adviser), which sets out the conditions that apply to these pensions.

^ This pension will only continue until the child turns 25 years of age, at which point they will receive the balance of the account as a lump sum payment, unless the child has a prescribed disability.

As noted above, a death benefit cannot be paid as a pension to:

- someone who is not a dependant,
- a child, unless the child is:
  - under 18 years of age, or
  - over 18 years of age but under the age of 25 and is financially dependent on you, or
  - over 18 years of age and has a prescribed disability.

In addition, where the death benefit is paid as a pension to a child, the child cannot continue to receive the pension once they reach age 25 (except where they have a prescribed disability). In this case, the pension will be commuted and paid as a lump sum to the beneficiary.

Death benefits can only be paid as pensions to a member's dependants for tax purposes. If either you or your beneficiary are aged 60 or over at the time of your death, all payments made from the pension to your beneficiary will be tax-free. If neither you nor your beneficiary are aged 60 or over at the time of your death, the tax-free component of all payments will be tax-free and the taxable component of all payments will be subject to your beneficiary's marginal rate of tax (plus the Medicare Levy). In addition, your beneficiary will be entitled to a 15% tax offset on this taxable portion.

7. Changes in the MySuper Lifestage Investment – Strategic Asset Allocation

The Strategic Asset Allocation ('SAA') is the mix of growth and defensive assets set with the aim of achieving the investment return objective. The investment manager may change the SAA and applicable ranges to suit market conditions. The investment return objective, SAA and ranges for your Asgard MySuper Lifestage Investment change as you get older as your Investment option becomes more conservative.

The table below shows the SAA and ranges for each Asgard MySuper Lifestage Investment, effective from 1 July 2015.

	Asgard MySuper Lifestage Investment						
Asset Type (%)	1940's	1950's	1960's	1970's	1980's	1990's	2000's
Equity – Australian Listed	7	17	26	32	34	34	34
Range	(0 – 21)	(2 – 32)	(10 – 40)	(16 – 46)	(18 – 48)	(18 – 48)	(18 – 48)
Equity – International Listed	5	15	25	33	35	35	35
Range	(0 – 19)	(0 – 30)	(9 – 39)	(16 – 46)	(18 – 48)	(18 – 48)	(18 – 48)
Property							
– Australian Listed	1	1	1	1	1	1	1
– International Listed	2	3	4	5	5	5	5
– Australian Unlisted	1	1	1	1	1	1	1
– International Unlisted	2	2	2	2	2	2	2
Range	(0 – 21)	(0 – 21)	(0 – 22)	(0 – 22)	(0 – 22)	(0 – 22)	(0 – 22)
Commodities – International Listed	1	2	2	2	3	3	3
Other – International Unlisted (Alternatives)	8	10	11	12	13	13	13
Range	(0 – 15)	(0 – 18)	(0 – 20)	(0 – 21)	(0 – 22)	(0 – 22)	(0 – 22)
Fixed Income – Australian	30	20	11	4	1	1	1
Range	(15 – 45)	(5 – 35)	(0 – 19)	(0 – 17)	(0 – 16)	(0 – 16)	(0 – 16)
Fixed Income – International	31	21	11	4	2	2	2
Range	(16 – 46)	(6 – 36)	(0 – 27)	(0 – 20)	(0 – 18)	(0 – 18)	(0 – 18)
Cash – Australian	12	8	6	4	3	3	3
Range	(8 – 38)	(1 – 31)	(0 – 25)	(0 – 21)	(0 – 20)	(0 – 20)	(0 – 20)
Total growth assets	**24**	**48**	**69**	**84**	**90**	**90**	**90**
Total defensive assets	**76**	**52**	**31**	**16**	**10**	**10**	**10**

8. Changes in the Investment objectives for the Asgard MySuper 1940's & 1950's Lifestage Investments

From 1 July 2015, the investment objectives for the Asgard MySuper 1940's Lifestage Investment & the Asgard MySuper 1950's Lifestage Investment have changed. Please see the table below which may be applicable to you.

Asgard MySuper Lifestage Investment	Description	Prior to 1 July 2015 – Investment return objective (over a 10 year period)	From 1 July 2015 – Investment return objective (over a 10 year period)
1940's	You are probably looking to retire. The focus is on maintaining the real value of your investment. If you were born before 1950 you'll be invested in this Lifestage Investment.	CPI[1] + 2.0% p.a.	CPI[1] + 1.5% p.a.
1950's	Retirement is approaching. The focus is on protecting the value of your investment while still seeking some growth.	CPI[1] + 3.0% p.a.	CPI[1] + 2.5% p.a.

1. Consumer Price Index ('CPI')

CUSTOMER RELATIONS

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IMPORTANT INFORMATION

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