

Contribution flexibility



Giving you flexibility in the level of standard member contributions made.

What this fact sheet covers

Explains how Defined Benefit Division and Accumulation 2 members can reduce their level of standard member contributions under UniSuper's contribution flexibility arrangements and the implications of doing so.

Who is this fact sheet for?

Defined Benefit Division and Accumulation 2 members receiving 17% employer contributions.

What is contribution flexibility?

Defined Benefit Division (DBD) and Accumulation 2 members are required to make standard member contributions equal to 7% of their salary each pay period. Members are, however, able to reduce the level of standard member contributions they make under UniSuper's contribution flexibility arrangements. Contribution flexibility reflects UniSuper's commitment to help members balance the demands of their current lifestyle with the need to save for retirement.

How much can you reduce your standard member contributions by?

If you are a DBD or Accumulation 2 member receiving 17% employer contributions you are able to reduce your standard member contributions to the following specific levels. If you elect to reduce your standard member contributions, your employer will continue to make 17% contributions on your behalf.

BEFORE-TAX CONTRIBUTION LEVEL	AFTER-TAX CONTRIBUTION LEVEL
8.25%	7.00%
5.25%	4.45%
4.70%	4.00%
3.55%	3.00%
2.35%	2.00%
1.20%	1.00%
0%	0%

Please note: if you make standard member contributions from your before-tax salary you must pay 15% contributions tax on these contributions. The 15% contributions tax is not payable on standard member contributions made on an after-tax basis.

What should you consider before making the decision to reduce your level of standard member contributions?

If you reduce your standard member contributions, the amount of your retirement savings will be reduced. UniSuper encourages you carefully consider whether you wish to sacrifice growth in your retirement savings over the need for additional disposable income. Before making the decision to reduce your standard member contributions, UniSuper recommends that you speak to a licensed financial adviser.

DBD MEMBERS

If your employer makes 17% contributions on your behalf, you must make standard member contributions of at least 4.45% from your after-tax salary (or 5.25% from your before-tax salary) to maintain your full defined benefit entitlement. If you reduce your standard member contributions below this level, your defined benefit entitlement will be reduced. The reduction in your defined benefit entitlement will be calculated by adjustments to your average contribution factor.

STANDARD MEMBER CONTRIBUTIONS LEVEL (AFTER TAX)	EFFECT ON YOUR DEFINED BENEFIT
7.00%	Your full defined benefit entitlement is maintained. Your 3% additional employer contribution is made into your accumulation component.
4.45%	Your full defined benefit entitlement is maintained. Your 3% additional employer contribution, formerly made to your accumulation component, is redirected to your defined benefit component.
4.00%	Your defined benefit entitlement is scaled back in proportion to your reduced standard member contributions. Your 3% additional employer contribution, formerly made to your accumulation component, is redirected to your defined benefit component.
3.00%	
2.00%	
1.00%	
0.00%	

ACCUMULATION 2 MEMBERS

Reducing your standard member contributions will decrease your final benefit because less contributions will be made into your account and your lower account balance will generate less investment returns.

How does reducing your standard member contributions affect inbuilt benefits?

If you reduce your standard member contributions you will remain eligible for death, terminal medical condition, disablement and temporary incapacity benefits under the Fund's inbuilt benefit provisions. If you are a DBD member, the charges for inbuilt benefits are allowed for in the defined benefit formula. If you are an Accumulation 2 member, the charges for inbuilt benefits will continue to be deducted from your Accumulation 2 account each month.

The amount of disablement and temporary incapacity benefits will not be affected. However, as your death benefit is a combination of your resignation benefit and a benefit for potential service to age 60, a reduction in the level of your standard member contributions will reduce the amount of your resignation benefit and effectively the amount of your death and terminal medical condition benefit.

How does reducing your standard member contributions affect additional insurance cover?

If you elect to reduce your standard member contributions under UniSuper's contribution flexibility arrangements when you first join the Fund, you will not automatically receive one unit of Death and TPD insurance cover with the Fund's external insurer. You can, however, apply for Death and TPD cover provided you meet specific eligibility criteria and have a minimum balance of \$2,000 in your accumulation component or accumulation account. Please see the *Defined Benefit Division and Accumulation 2 Product Disclosure Statement* for more details.

If you reduce your standard member contributions can you increase them again later?

The decision to reduce your standard member contributions is irrevocable and you cannot reinstate your previous level of standard member contributions at a later date. If you wish to make additional contributions, they must be made as regular or one-off voluntary member contributions to your account if you are an Accumulation 2 member or to your accumulation component if you are a DBD member.

What if you don't know how much your employer contributes?

Most employers' pay slips provide a breakdown of employer and member contributions made to UniSuper. If you are unsure how much your employer contributes on your behalf and your latest pay slip does not provide this information, please contact your employer.

Does your employer have to consent to your request to reduce your standard member contributions?

Contribution flexibility is available to DBD and Accumulation 2 members under the UniSuper Trust Deed. Your employer does not have to consent your decision to reduce your standard member contributions. However, your employer must ensure that 17% employer contributions are still made on your behalf.

What if you receive 17% employer contributions and reduce your standard member contributions to zero and a future employer only makes 14% contributions?

If you currently receive 17% employer contributions and reduce your standard member contributions down to zero but a future UniSuper participating employer makes 14% employer contributions on your behalf, you must make standard member contributions of at least 2.55% to ensure that your total contributions remain at the minimum level.

Can you exercise contribution flexibility if you are making half contributions?

If you and your employer are currently making half contributions you are not eligible to reduce your standard member contributions under UniSuper's contribution flexibility arrangements. However, if you and your employer resume making full contributions, that is, 17% employer contributions and 7% standard member contributions from your salary, you may then elect to reduce your level of standard member contributions under UniSuper's contribution flexibility arrangements.

How to reduce your standard member contributions?

To reduce your standard member contributions complete the attached Contribution flexibility application form and submit it to your employer, who will make the requested adjustments and then pass the form onto UniSuper.

When does the reduction in your standard member contributions take effect?

Any reductions to your standard member contributions will take effect at the commencement of the next pay period after your contribution flexibility application form has been processed.

For more information about contribution flexibility, please call the UniSuper Helpline on 1800 331 685.

This information is of a general nature only and includes general advice. It has been prepared without taking into account your individual objectives, financial situation or needs. Before making any decision in relation to your UniSuper membership, you should consider your personal circumstances, the relevant product disclosure statement for your membership category and whether to consult a licensed financial adviser.

This information is current as at May 2013 and is based on our understanding of legislation at that date. Information is subject to change. To the extent that this fact sheet contains information which is inconsistent with the UniSuper Trust Deed and Regulations (together the Trust Deed), the Trust Deed will prevail.

Issued by: UniSuper Management Pty Ltd ABN 91 006 961 799, AFSL No. 235907 on behalf of UniSuper Limited the trustee of UniSuper, Level 35, 385 Bourke Street, Melbourne Vic 3000.

Fund: UniSuper, ABN 91 385 943 850
Trustee: UniSuper Limited, ABN 54 006 027 121
Date: May 2013 UNIS000F12 0513

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Contribution flexibility application form



For Defined Benefit Division and Accumulation 2 members receiving 17% employer contributions.

Important notice

The decision to reduce your standard member contributions is irrevocable and you cannot reinstate your previous level of standard member contributions at a later date. If you wish to make additional contributions, they must be made as regular or one-off voluntary member contributions to your account if you are an Accumulation 2 member or to your accumulation component if you are a DBD member.

If you reduce your standard member contributions, the amount of your retirement savings will be reduced. Before making the decision to reduce your standard member contributions, UniSuper recommends that you:

- read the *Defined Benefit Division and Accumulation 2 Product Disclosure Statement*;
- read the Contribution Flexibility Fact Sheet for Defined Benefit Division and Accumulation 2 members receiving 17% employer contributions; and
- speak to a licensed financial adviser.

Any reduction to your standard member contributions will take effect at the commencement of the next pay period after your contribution flexibility application form has been processed.

Further information

If you need further information or help to complete this form:

- contact the person who manages superannuation at your workplace
- call us on **1800 331 685**, or
- visit our website at www.unisuper.com.au

Privacy information

UniSuper recognises the importance of protecting your personal information and is committed to complying with its privacy law obligations. For more information on how we collect and manage your information please refer to the Privacy statement at the end of this form.

SECTION 1 — Member details

••• Please use BLACK or BLUE BALL POINT PEN and print in CAPITAL LETTERS. Cross where required X

UniSuper member number

If you are unsure of your member number, refer to your most recent UniSuper correspondence or call us on **1800 331 685**.

Title Mr Mrs Ms Dr Professor

Other

Surname

Given name

Date of birth (DDMMYYYY)

Contact number*

Email address*

@

Residential address, number and street (*not PO Box*)

Suburb/Town

State Postcode

Country (*if not Australia*)

* Mandatory. If you do not complete all of the mandatory fields, there may be a delay in processing your request.

form continues >



SECTION 1 — Continued

Is your postal address different from your residential address?

- No. Go to SECTION 2.
- Yes. Please provide your postal address below.

Suburb/Town

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State Postcode

Country (if not Australia)

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SECTION 2 — Reducing your standard member contributions

What percentage of standard member contributions do you wish to make?

(Select one box only)

- 4.45% after-tax (5.25% before-tax)
- 4.00% after-tax (4.70% before-tax)
- 3.00% after-tax (3.55% before-tax)
- 2.00% after-tax (2.35% before-tax)
- 1.00% after-tax (1.20% before-tax)

Go to SECTION 3

- 0.00% (zero)

Go to SECTION 4

* The contribution percentages shown above are from after-tax salary. If you make member contributions from your before-tax salary they are treated as employer contributions and you must also pay the 15% contributions tax on these contributions. Your employer can advise you of the specific rate if you make your contributions from your before-tax salary.

SECTION 3 – Standard member contributions


How do you want to make standard member contributions?

- From my after-tax salary
- From my before-tax salary

Please note: If you make standard member contributions from your before-tax salary you must pay 15% contributions tax on these contributions. The 15% contributions tax is not payable on standard member contributions made on an after-tax basis.

If you want to make standard member contributions on a before-tax basis, you must enter into a salary sacrifice arrangement with your employer.

SECTION 4 — Member declaration and signature

 Please read this declaration before you sign and date your form.

- I declare that the information I have given on this form is true and correct.
- I acknowledge that I have read and understood the information about contribution flexibility in the current *Defined Benefit Division and Accumulation 2 Product Disclosure Statement* and the attached Contribution Flexibility fact sheet.
- I understand that:
 - my decision to reduce my standard member contributions is irrevocable and I will be unable to reinstate my previous level of standard member contributions at a later date.
 - If I reduce my standard member contributions, the amount of my retirement savings will be reduced.
 - If I make standard member contributions from my before-tax salary I must pay 15% contributions tax on these contributions.
 - the level of standard member contributions that I elect to make on this form will apply to the standard member contributions that I make with all UniSuper participating employers.
- I consent to my personal information being used in accordance with UniSuper's privacy policy.

Signature



Date (DDMMYYYY)

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RETURNING YOUR FORM:

Return your completed form to your employer's Superannuation Officer or Representative.

UniSuper
Level 35, 385 Bourke Street
Melbourne VIC 3000

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