

Term Allocated Pension

Product Disclosure Statement

30 September 2022

(Closed to new accounts on 24 February 2023)



100% **Industry Super**
Run only to benefit our members

BUSSQ
building super

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Important Information

The information in this Product Disclosure Statement (PDS) describes the main features, benefits, conditions and risks of BUSSQ's Term Allocated Pension (TAP).

It will help you to:

- Decide whether this product will meet your needs, and
- Compare this product with others you may be considering.

BUSSQ products are only available within Australia. Applications from outside Australia will not be considered.

Explanation of super terms used

Throughout this PDS we have tried to use simple English to explain your TAP account benefits. However, there were occasions where some terms could not be simplified. If you would like an explanation of a term used in this PDS call **1800 692 877**.

This PDS is prepared and issued by BUSS(Queensland) Pty Ltd ABN 15 065 081 281 AFSL 237860, Trustee of Building Unions Superannuation Scheme (Queensland) (BUSSQ) ABN 85 571 332 201.

For more information about BUSSQ's awards and ratings refer to **bussq.com.au**. Past performance is not a reliable indicator of future performance.

About BUSSQ

Purpose of BUSSQ

BUSSQ was established in 1985 to provide superannuation services for people working in the building, construction, civil and allied industries.

As a public offer fund, anyone can join BUSSQ.

Management of BUSSQ

BUSS(Queensland) Pty Ltd, is the Trustee of Building Unions Superannuation Scheme (Queensland) (BUSSQ). Its Board is made up of an equal number of employer and member representative directors who are nominated by our sponsoring employer and member organisations:

- Queensland Master Builders Association, Industrial Organisation of Employers
- Construction, Forestry, Mining and Energy Industrial Union of Employees Queensland (CFMEUQ).

The Trustee is responsible for ensuring BUSSQ is managed in the best interests of all members and their dependants. The Trustee also appoints various professional organisations to assist it with running BUSSQ.

A Trust Deed governs the operation of BUSSQ and if there are any inconsistencies between the terms of BUSSQ's Trust Deed and any disclosure documents, the terms of the Trust Deed will prevail. From time to time the Trust Deed may need to be amended. If it is, you will be notified of any changes that may adversely affect your benefits. A copy of the trust deed is available at bussq.com.au/disclosure.

Getting advice

This PDS contains general information only and does not take into account your objectives, personal financial situation or needs. You should consider whether the information is appropriate for your personal financial situation and needs, and obtain financial advice tailored to your personal circumstances. You should consider this PDS before making any decision about whether to acquire the product.

BUSSQ members have access to personal financial advice at no extra cost. The advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. The cost of this advice is included in the administration fees and costs. BUSSQ members also have access to tailored retirement advice which is advice on retirement income streams and transition to retirement. If the advice given extends beyond a member's BUSSQ super account, an additional fee is payable which will be detailed in the Statement of Advice your advisor gives you. Advice is provided by Link Advice Pty Ltd (ABN 36 105 811 836 AFSL 258145).



Welcome

This Term Allocated Pension (TAP) product is provided by BUSSQ which is committed to helping you achieve a superior lifestyle in retirement.

BUSSQ exists only to profit its members. This is very important when you compare BUSSQ's products with other products that cannot claim profit for members status and declare returns after paying shareholder dividends.

A Target Market Determination (TMD) document, which shows the target market of consumers that a product is designed for, can be viewed at bussq.com.au/disclosure, or call us on 1800 692 877 and we will send you a copy.

Cooling off period

After you apply to join you have 14 days from the date BUSSQ sends you confirmation of your membership in which to cancel your membership.

The refund you receive may be adjusted to take into account movements in investment values during the period between joining and cancelling membership. You will also be liable for any government taxes and charges paid by BUSSQ on your behalf.

BUSSQ Term Allocated Pension

Please remember that what you decide to do with your retirement savings is a very important decision. We strongly urge you to seek financial advice from a licensed financial adviser before making any decision on your investments.

It is no longer possible to start a new TAP account. Therefore you can only rollover into the BUSSQ TAP if you already have an existing TAP account with another provider.

How much can I receive in each payment?

Annual payments will depend on your life expectancy. There is some flexibility – you can choose a term anywhere between your life expectancy as set out in the Life Expectancy Table on page 5, and your life expectancy as if you were up to five

years younger.

You may also choose a term which is equal to age 100, less your age at your last birthday.

Example

If you are 65 years old at the commencement of the TAP, you can select a payment factor based on your life expectancy at age 65; or you can select a payment factor based on your life expectancy as if you are aged 64, 63, 62, 61 or 60. Alternatively you can use a factor of 35, which represents 100 minus 65.

If you decide when opening a TAP account that your payments will revert to your spouse in the event of your death and your spouse is younger than you are you can, if you wish, base the payment factor on your spouse's life expectancy. Again, the option is there to choose a factor based on an age up to five years younger than your spouse's actual age or to use the age 100 minus your spouse's age at their last birthday.

Example

If you are 65 and your spouse is 62, your options are:

Choose a term between 20 and 35 years (which is the life expectancy* of a 65 year old male, as well as age 100 minus 65),

OR

Use your spouse's life expectancy, and choose a term between 25 and 38 years (which is the life expectancy of a 62 year old female, as well as age 100 minus your spouse's age at their last birthday).

*Source: Australian Government Social Security Guide, Life expectancy tables, guides.dss.gov.au

The annual payment is calculated by dividing the account balance at 30 June each year by the payment factor based on the remaining term.

TAP worksheet

The following is an example of how a TAP works for you in retirement.

You may choose a fixed term between two life expectancies and a term based on the period from your last birthday and 100 years of age.

You can choose the life expectancy at your age at the commencement of the TAP, or you can select a payment factor based on your life expectancy as if you are up to five years younger, or a life expectancy based on the difference between your age last birthday and 100 years of age. Just remember that this is fixed when opening your TAP and cannot be changed.

Example

If you are a 65 year old male and purchase a TAP for \$200,000 on 1 July.

- Life Expectancy of a 65 year old male: **19.86**
- Life Expectancy of a 60 year old male: **24.02**
- Period between age last birthday and **100: 35**

The above life expectancies are rounded up to the nearest whole numbers. For this example, the term of the TAP can be taken between 20 and 35 years.

If you take a TAP for 22 years, the payment factor will be 15.17 (please see the payment factor table on page 6 to determine this).

$$\text{\$200,000} \div 15.17 = \text{\$13,183.92}$$

Round this figure to the nearest whole dollar amount.

Payment = \\$13,184.00 per annum

If you elect to take a Reversionary Income (that is, to have your account continue to be paid to your spouse in the event of your death), you may opt to use your spouse's life expectancy when calculating your TAP. The term of your TAP may be longer, however the payments will be lower.

Based on this example, if you select an automatic reversion based on your 62 year old female spouse's life expectancy, the term available will be between:

- Life Expectancy of a 62 year old spouse: **25.14**
- Life Expectancy of a 57 year old spouse: **29.66**
- Period between age last birthday and **100: 38**

Once again the above life expectancies are rounded up to whole numbers, so the term of the TAP can be from 26 to 38 years.

For this exercise, you choose a term of 26 years, so the Payment Factor will be 16.89.

$$\text{\$200,000} \div 16.48 = \text{\$11,841.33}$$

Round this figure to the nearest whole dollar amount.

Payment = \\$11,841.00 per annum

Life expectancy* table

Payments commenced after 1 January 2020

Age	Male	Female	Age	Male	Female
50	32.84	36.14	75	12.25	14.15
51	31.93	35.21	76	11.57	13.39
52	31.03	34.27	77	10.90	12.64
53	30.13	33.34	78	10.25	11.90
54	29.24	32.42	79	9.63	11.18
55	28.35	31.49	80	9.02	10.49
56	27.47	30.57	81	8.44	9.81
57	26.60	29.66	82	7.89	9.16
58	25.73	28.75	83	7.36	8.54
59	24.87	27.84	84	6.86	7.94
60	24.02	26.93	85	6.39	7.37
61	23.17	26.03	86	5.95	6.83
62	22.33	25.14	87	5.54	6.32
63	21.50	24.24	88	5.16	5.84
64	20.67	23.36	89	4.81	5.40
65	19.86	22.47	90	4.50	4.99
66	19.04	21.60	91	4.22	4.61
67	18.24	20.73	92	3.96	4.28
68	17.45	19.87	93	3.72	3.97
69	16.67	19.02	94	3.50	3.69
70	15.90	18.18	95	3.29	3.43
71	15.14	17.35	96	3.11	3.18
72	14.39	16.53	97	2.93	2.94
73	13.66	15.73	98	2.77	2.73
74	12.95	14.93	99	2.62	2.53

* Source: Australian Government Social Security Guide, Life Expectancy Tables, guides.dss.gov.au.

1. How much is your TAP opening balance with BUSSQ?

\$ A

2. What is you or your Reversionary Beneficiary's life expectancy?

B

Based on the Life Expectancy table. (Remember to round up to the nearest whole number).

3. What is you or your Reversionary Beneficiary's life expectancy based on age five years younger?

C

Remember to round up to the nearest whole number.

4. What is the period of whole years between you or your Reversionary Beneficiary's last birthday and 100 years of age?

D

You may now choose a fixed term between B and D for your TAP.

Reminder – that this is fixed from the start of your TAP and cannot be changed!

5. Fixed Term**6. Your payment factor for your TAP**

E

Please refer to the Payment Factor Table below.

7. A divided by E

\$

8. Round this figure to the nearest 10 whole dollars

\$

9. F = Your BUSSQ TAP payment

\$

Payment factors

Term remaining (years)	Payment factor	Term remaining (years)	Payment factor	Term remaining (years)	Payment factor
45	22.5	30	18.39	15	11.52
44	22.28	29	18.04	14	10.92
43	22.06	28	17.67	13	10.3
42	21.83	27	17.29	12	9.66
41	21.6	26	16.89	11	9
40	21.36	25	16.48	10	8.32
39	21.1	24	16.06	9	7.61
38	20.84	23	15.62	8	6.87
37	20.57	22	15.17	7	6.11
36	20.29	21	14.7	6	5.33
35	20	20	14.21	5	4.52
34	19.7	19	13.71	4	3.67
33	19.39	18	13.19	3	2.8
32	19.07	17	12.65	2	1.9
31	18.74	16	12.09	1 or less	1

How often is my TAP paid?

You can have your TAP payments deposited directly into your bank, building society or credit union account fortnightly, monthly, quarterly, half yearly or yearly.

Payments will only be made into Australian bank accounts and in Australian dollars.

You must receive at least one payment per year.

Payments are made into your nominated account on or around the 15th of the month, or on the next fortnightly payment date if you choose that option.

You can change how your TAP payments are made to you and the amount you receive at any time by contacting BUSSQ.

Withdrawing extra funds

Generally, lump sum withdrawals cannot be made from a TAP. The exceptions are that withdrawals can be made:

- Within the first six months of the commencement of the TAP
- To purchase another complying product
- To pay a superannuation contribution surcharge, or
- To make a payment split under family law.

Things to be aware of

A BUSSQ TAP does not guarantee your payments will last throughout your lifetime.

Irrespective of the BUSSQ investment option chosen, your account balance will decline if the return on your investments is less than the amount you draw as payments from your BUSSQ TAP each year.

Once your TAP account reduces to zero, your payments will cease.

Your payments will continue while funds remain in your account. It is important to remember that your TAP account may not provide you with payments for the rest of your life.

When do payments commence?

You can receive payments as soon as your TAP has been set up.

Checklist for joining a BUSSQ TAP

- ☐ Complete a BUSSQ *Term Allocated Pension Application* form. This tells BUSSQ the amount that you plan to roll over into the TAP.

The form also includes decisions on the amount you want to receive and when you want it to be paid.

- ☐ If you are under 60 years of age, complete the ATO's *Tax File Number Declaration* form. This allows BUSSQ to deduct the correct amount of tax. If you are aged 60 or over then the ATO *Tax File Number Declaration* form is not required*.

- ☐ Complete the *Request To Transfer Funds to BUSSQ* (if required). This form is required if you wish to transfer your TAP held with another provider across to BUSSQ. This form can be photocopied.

* Provision of your Tax File Number (TFN) is voluntary. Refer to Tax File Number on page 28 for information about what happens if it is not provided.

Transfer balance cap

From 1 July 2017 a transfer balance cap limits the amount of superannuation an individual can hold in the tax free retirement phase, including Term Allocated Pensions.

For more information on Transfer Balance Caps, please see bussq.com.au or ato.gov.au.

Comparing BUSSQ with other funds

When comparing BUSSQ to other funds, you should consider:

- Total fees payable now and in the future
- Ease of access to information regarding your account
- Earning rates over three, five and 10 years
- Additional services available*
- Investment choices
- Fund performance.

For more information about how to compare superannuation funds go to Australian Government's website - moneysmart.gov.au.

* BUSSQ members have access to personal financial advice at no extra cost. The advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. The cost of this advice is included in the administration fees and costs. BUSSQ members also have access to tailored retirement advice which is advice on retirement income streams and transition to retirement. If the advice given extends beyond a member's BUSSQ super account, an additional fee is payable which will be detailed in the Statement of Advice your advisor gives you. Advice is provided by Link Advice Pty Ltd (ABN 36 105 811 836 AFSL 258145).

Fees and costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term results. 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 fees, based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity 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. Entry and exit fees cannot be charged. Taxes are set out on pages 28 and 29. You should read all the information about fees and costs because it is important to understand their impact on your investment. The fees and costs for the Term Allocated Pension product are set out below and in the following pages. Additional information on fees and other costs is set out on the following pages.

Fees and costs summary

Term Allocated Pension product

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
<i>Administration fees and costs</i>	0.20% p.a. of your account balance.	The percentage-based administration fee of 0.20% p.a. is deducted daily from the investment option before BUSSQ declares a unit price, capped at \$1,000 p.a.
<i>Investment fees and costs²</i> <ul style="list-style-type: none"> Balanced Growth Income account Defensive Income account High Growth Income account Cash Diversified Fixed Interest Australian Shares Australian (Small Companies) Shares All Shares International Shares International (Emerging Markets) Shares 	0.53% p.a. 0.42% p.a. 0.55% p.a. 0.06% p.a. 0.33% p.a. 0.36% p.a. 0.46% p.a. 0.48% p.a. 0.61% p.a. 0.82% p.a.	Deducted daily from the investment option before BUSSQ declares a unit price.
<i>Transaction costs²</i> <ul style="list-style-type: none"> Balanced Growth Income account Defensive Income account High Growth Income account Cash Diversified Fixed Interest Australian Shares Australian (Small Companies) Shares All Shares International Shares International (Emerging Markets) Shares 	0.17% p.a. 0.14% p.a. 0.18% p.a. 0.05% p.a. 0.12% p.a. 0.16% p.a. 0.16% p.a. 0.14% p.a. 0.13% p.a. 0.31% p.a.	Deducted daily from the investment option before BUSSQ declares a unit price.
Member activity related fees and costs		
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Other fees and costs ³	Refer to the 'Additional explanation of fees and costs' section.	

1. If your account balance for a product offered by BUSSQ is less than \$6,000 at the end of the financial year (30 June), certain fees and costs charged to you in relation to administration and investment are capped at 3% of your account balance. Any amount charged in excess of that cap must be refunded.
2. The investment fees and costs and transaction costs are an estimate based on the costs incurred for the 12 months ending 30 June 2022. The investment fees and costs include an amount of up to 0.12% for performance fees. The calculation basis for this amount is set out under the 'Additional explanation of fees and costs' section.
3. Refer to the 'Additional explanation of fees and costs' section.

Example of annual fees and costs

Balanced Growth - Income account option

The following table gives an example of how the ongoing annual fees and costs for the Balanced Growth Income account option can affect your Term Allocated Pension account over a one year period. You should use this table to compare this product with other Term Allocated Pension products.

EXAMPLE – Balanced Growth Income account option		Balance of \$50,000
Administration fees and costs	0.20% p.a. of your account balance.	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$100 in administration fees and costs.
PLUS Investment fees and costs	0.53% p.a. of your account balance.	And , you will be charged or have deducted from your investment \$265 in investment fees and costs.
PLUS Transaction costs	0.17% p.a. of your account balance.	And , you will be charged or have deducted from your investment \$85 in transaction costs.
EQUALS Cost of product		If your balance was \$50,000, at the beginning of the year, then for that year you will be charged fees and costs of \$450 for the superannuation product.

Note: *Additional fees and costs may apply. These are explained in the 'Additional explanation of fees and costs' section.

Cost of product for one year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a one year period for all superannuation products and investment options. It is calculated in the manner shown in the 'Example of annual fees and costs'. The cost of product information assumes a balance of \$50,000 at the beginning of the year. (Additional fees such as a buy-sell spread may apply; refer to the 'Fees and costs summary' for the relevant superannuation product or investment option). You should use this figure to help compare superannuation products and investment options.

Investment option	Cost of product
Balanced Growth Income account	\$450
Defensive Income account	\$380
High Growth Income account	\$465
Cash	\$155
Diversified Fixed Interest	\$325
Australian Shares	\$360
Australian (Small Companies) Shares	\$410
All Shares	\$410
International Shares	\$470
International (Emerging Markets) Shares	\$665

Note: 'Income account' investment options referenced apply to the Term Allocated Pension account.

Additional explanation of fees and costs

Defined Fees

Type of fee or cost	How these fees and costs apply to BUSSQ Term Allocated Pension product
<p>Administration fees and costs are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:</p> <p>(a) relate to the administration or operation of the entity; and</p> <p>(b) are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</p>	<p>The administration fees paid by members are transferred to the General Reserve to help meet administration and operating costs of the Fund. These costs include the Trustee Service Fee paid into a Trustee Capital Reserve in BUSS(Queensland) Pty Ltd, Trustee of the BUSSQ. This fee provides the Trustee Company with capital to ensure the Trustee's ongoing capital adequacy.</p> <p>For the year ending 30 June 2022, the administration costs paid from the General Reserve did not exceed the administration fees paid into the General Reserve.</p> <p>The 0.20%p.a. administration fee is subject to a fee cap of \$1,000 p.a. as explained in the High Balance Fee Cap section.</p>
<p>Investment fees and costs are fees and costs that relate to the investment of the assets of a superannuation entity and includes:</p> <p>(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and</p> <p>(b) costs incurred by the trustee of the entity that:</p> <p>(i) relate to the investment of assets of the entity; and</p> <p>(ii) are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</p>	<p>The investment fees and costs included in the 'Fees and costs summary' section are for the management of assets in each investment option. BUSSQ estimates these costs for each new financial year.</p> <p>The costs may include payment of a performance fee, which is explained in the 'Investment performance fees section' on page 12.</p>
<p>Transaction costs are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.</p>	<p>The types of transaction costs depend on the type of asset being bought or sold by the Fund's underlying investment managers. Examples of transaction costs include:</p> <ul style="list-style-type: none"> ■ Brokerage: is an amount payable to a broker for undertaking a transaction for the acquisition or disposal of a financial product; ■ Buy-sell spreads: see definition in the next section; ■ Settlement and clearing costs: are the costs charged by a facility like a stock exchange for trading financial products; ■ Stamp duty: is a charge governments' place on legal documents for the transfer of real estate or other assets. <p>The Fund estimate these transaction costs for each new financial year based on the actual costs for the prior financial year. The transaction costs for each investment option are included in the Fees and Costs Summary section. The costs are deducted daily from the investment option before BUSSQ declares a unit price.</p>
<p>A buy-sell spread is a fee to recover costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.</p>	<p>BUSSQ does not currently charge a buy-sell spread fee. Any buy-sell spread costs are included in Transaction costs.</p>
<p>A switching fee for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.</p>	<p>BUSSQ does not currently charge an investment switching fee.</p>

Fees and costs

Type of fee or cost	How these fees and costs apply to BUSSQ Term Allocated Pension product
An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.	Exit fees are not allowed. BUSSQ does not charge an exit fee.
<p>A fee is an activity fee if:</p> <p>(a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:</p> <ul style="list-style-type: none"> (i) that is engaged in at the request, or with the consent, of a member; or (ii) that relates to a member and is required by law; and <p>(b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.</p>	<p>BUSSQ does not currently charge activity fees for Family Law transactions, contribution splitting, contribution refunds, and lost member search fees. BUSSQ will notify you in advance if it introduces activity fees for transactions like this.</p>
<p>A fee is an advice fee if:</p> <p>(a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:</p> <ul style="list-style-type: none"> (i) a trustee of the entity; or (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and <p>(b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.</p>	<p>BUSSQ members have access to personal financial advice at no extra cost. The advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. The cost of this advice is included in the administration fees and costs.</p> <p>BUSSQ members also have access to tailored retirement advice which is advice on retirement income streams and transition to retirement. If the advice given extends beyond a member's BUSSQ super account, an additional fee is payable which will be detailed in the Statement of Advice your advisor gives you. Advice is provided by Link Advice Pty Ltd (ABN 36 105 811 836 AFSL 258145).</p>

Fees and costs

Investment performance fees

The 'investment fees and costs' defined on the previous pages and detailed in the 'Fees and costs summary' may include an amount for investment performance fees. Some of BUSSQ's investment managers will be eligible to receive performance-based fees if they outperform a target return. A target return is set as a percentage in excess of an index or other suitable benchmark, above which a performance fee is payable.

Performance fees are calculated on an average of the five financial years to 30 June 2022. These fees will vary in the future depending upon factors including performance targets and investment results from underlying investment managers.

The performance fees in the following table are included in 'investment fees and costs' in the 'Fees and cost summary'.

Investment option	Performance fee
Balanced Growth Income account	0.04%
Defensive Income account	0.03%
High Growth Income account	0.03%
Cash	0.00%
Diversified Fixed Interest	0.00%
Australian Shares	0.04%
Australian (Small Companies) Shares	0.12%
All Shares	0.01%
International Shares	0.00%
International (Emerging Markets) Shares	0.09%

Additions or alterations to fees

The Trustee can change the fees that will be applied to your account. You will be given at least 30 days' notice before any increase in fees is effective. BUSSQ fees are not negotiable.

Low balance fee cap

If your account balance is less than \$6,000 on 30 June or the date you leave the BUSSQ Fund, then certain fees and costs charged to you are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded. The cap applies to the total of your administration fees, investments fees and costs, and transaction costs.

High balance fee cap

The percentage-based administration fee of 0.20% p.a. is subject to a cap of \$1,000 in a financial year. BUSSQ will assess the combined total of your eligible account balances at the end of the financial year (June 30), and any percentage-based administration fees above \$1,000 will be rebated to your main account as a credit in the following financial year. To be eligible for the credit you will need to be a member of BUSSQ when the credit is applied. This amount will appear as a single transaction and will be reported on future annual statements. BUSSQ regularly reviews its fee cap rules. We will notify you at least 30 days in advance of any change coming into effect. Eligible accounts are any account held within the following products:

- BUSSQ MySuper
- BUSSQ Premium Choice
- BUSSQ Transition to Retirement Income account
- BUSSQ Retirement Income account
- BUSSQ Term Allocated Pension
- BUSSQ Child Income account

You do not need to complete any paperwork or do anything as the rebate will be automatically applied to your account.

Tax deductible expenses

The benefits of any expenses included within the investment fees that are tax deductible are indirectly passed on to members through the net investment earnings allocated to member accounts.

Tax and Income accounts

For information on tax on Income account payments and benefits transferred at death, refer to pages 28 and 29.

Investments - it's your choice

BUSSQ understands that members have different views about the way they would like to see their super savings invested. That is why BUSSQ lets you choose an investment strategy that will best suit your investment style and lifestyle needs in retirement.

With a BUSSQ TAP you can choose from investment options that deliver the potential for higher returns, greater relative security or a mix of both – whatever suits your investment objectives, time frame and tolerance for risk. Importantly, you are not tied down to one investment strategy.

You can choose to invest 100% in only one of the following investment options or you can mix and match them to suit your needs. The choice is yours.

Pre-mixed options representing pre-set investment strategies are:

- Balanced Growth Income Account
- Defensive Income Account
- High Growth Income Account.

Single asset class options allow you to build your own investment strategy.

- Cash
- Diversified Fixed Interest
- Australian Shares
- Australian (Small Companies) Shares
- All Shares
- International Shares
- International (Emerging Markets).

You can change your strategy as your financial or personal circumstances change.

If you don't make a choice

You don't have to make an investment choice when you join a BUSSQ TAP. If you don't choose an investment option or mix of options your account will automatically be invested in the Balanced Growth Income Account investment option (the default option).

Of course, this doesn't mean you are locked into the default option forever. You have the flexibility to choose your own investment options at a later time if you wish.

Why make a choice?

The decision to choose an investment option or mix of options means that your TAP can be invested in a way that best suits your financial circumstances.

Factors such as your age, your tolerance to risk and your future expectations all impact your investment decisions.

The investment section in this PDS provides general information about the investment options available for BUSSQ Income accounts. When making your choice we recommend you seek financial advice from a licensed financial adviser. As a BUSSQ member you have access to personal financial advice on investment choice at no extra cost*. Call us on **1800 692 877**.

Before you start to invest

If you are not confident about investing, you are encouraged to read the following pages before making your investment choice decision or get some financial advice.

It is important that you take the time to understand the basics, as it will help you to determine your risk tolerance and your investment return expectations. It will also put you in a better position to select the investment option or mix of investment options that are best suited to you.

Understand investment risk

Because your money is invested in financial markets, you are exposed to investment risk.

Investment risk is the degree to which returns go up and down in value over time. You cannot consider return without risk and, generally, the higher the potential return, the higher the risk. In order to achieve higher returns you must be willing to take on more risk. While shares, property and fixed interest securities might offer higher long term returns than cash, they also expose you to higher levels of risk, particularly in the short term.

In financial terms, there is also a risk of not having enough assets or money to provide you with the lifestyle you desire in retirement. Therefore, if you try to avoid risk altogether you may in fact not save enough to provide you with the lifestyle you want in retirement. In fact, it may not even keep pace with inflation.

Understanding your tolerance to risk

Your tolerance to risk is an important factor to consider before making your investment choice. Everyone has a different tolerance to risk and you need to be comfortable with the level of risk that is associated with the investment option or mix of options you choose.

You don't have to make investment decisions on your own. As a BUSSQ member you have access to personal financial advice on investment choice at no extra cost*. Call us on **1800 692 877**.

* Personal advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. This advice is provided by Link Advice Pty Ltd (ABN 36 105 811 836 AFSL 258145).

Investment basics

It is important that you take the time to understand the basics, as it will help you to determine your risk appetite and tolerance as well as your investment return expectations. It will put you in a better position to select the investment option or mix of investment options that you want to invest your super in and that are best suited to you.

BUSSQ invests your superannuation through suitably qualified fund managers across eight main types of investments or asset classes:

- **Cash:** Includes money invested in term deposits and bank bills where interest is earned on the cash invested, similar to having money in a bank account. Over the long term, cash is likely to produce the lowest return of all the main asset classes.
- **Property (Australian):** Includes investments in land and buildings that can be bought, sold or leased such as shopping centres or office blocks. Returns on property investments are influenced by many factors including supply, demand and market conditions.
- **Shares (Australian and International):** Generally purchased through a stock exchange, when you buy a share you become part owner in the company that has issued the share. Companies issue shares to raise capital. As part owner, you are entitled to any company profits, distributed as dividends. As the value of the company rises or falls, due to performance, industry conditions and other factors, the value of your share also rises or falls.
- **Agriculture:** Encompasses farming and farming related commercial activities such as livestock and timber and involves all the steps required to send an agricultural good to market i.e. production, processing and distribution.
- **Fixed Interest or Bonds:** Is money lent to governments, semi-government bodies and corporations where interest is paid at an agreed rate for an agreed term. These investments can be held until they mature, with returns coming from the interest payments that are made. They are also commonly traded, with the price received for the investment reflecting the difference between the current interest rates and the interest rate and duration on the fixed interest investment. Fixed interest investments are generally fairly stable, however, their value is affected by interest rate and currency movements.
- **Infrastructure:** These investments comprise of assets such as airports, seaports, roads, bridges, tunnels, utilities, power stations, windfarms and natural resources such as mines.
- **Opportunistic Growth:** Is a direct investment in a company which is not listed on a stock exchange. These type of investments are often made to expand or restructure the company, or for new product development.
- **Opportunistic Debt:** Works in a similar way to fixed interest investments, however, the investments are generally in private corporate loans and not government or corporate bonds.

Overseas investments: Investments in Shares and Fixed Interest can be made in Australia or overseas. In fact, the Australian share market accounts for less than 2% of the world share markets. When investing overseas, returns can also be affected by changes in the value of the Australian dollar. These changes can enhance overseas returns (when the Australian dollar is falling) or detract from overseas returns (when the Australian dollar is rising).

Diversification helps reduce risk

Because you cannot tell how each asset class will perform over a future period, diversifying or spreading your investments across a range of asset classes has the potential, over time, to smooth out any ups and downs associated with investment returns.

The risk/return profile of each of BUSSQ's pre-mixed options is determined by how much is allocated to growth assets relative to defensive assets. The greater the proportion of growth assets, the riskier the investment becomes, but similarly, the greater the potential return over the longer term. BUSSQ has taken a slightly more conservative investment approach to its Income account products compared to its Accumulation products.

The magic of compound interest

Compound interest is, put simply, earning interest on interest.

Example

If you invest \$1,000 and the annual return is 6%, the investment earnings in the first year is \$60 (6% x \$1,000). You now have an account balance of \$1,060. If in the second year you did not contribute at all and the annual return was again 6%, the investment earnings would be \$64 (6% of \$1,060) and so on.

Think about your investment timeframe

Your investment timeframe is the length of time you believe you will need to receive an income. This period becomes very important when choosing your investment option or mix of options.

After retirement at say age 60, the average person can expect to live at least another 20 years.*

The longer your investment time frame, the more time you have to ride out the ups and downs. If you have a short time frame then stability in the value of your investment may be more important to you.

Investing your money

An Investment Committee, appointed by the BUSSQ Board, makes recommendations to the Board about where BUSSQ members' money should be invested. The Investment Committee and the Board obtain professional investment advice from its investment consultant, Frontier Advisors.

Assets are allocated within ranges set by the BUSSQ Board after advice from its investment consultant. The Board reviews these ranges on a regular basis.

Specialist investment managers are interviewed and selected for each of the asset classes. They are selected on a management and performance basis and they are required to report regularly to the Board. The investment managers are constantly monitored by BUSSQ.

Details of where funds are invested can be found in the Portfolio Holding Disclosure section at bussq.com.au/disclosure.

Labour standards and environmental, social and ethical considerations

BUSSQ's Responsible Investment Framework includes the assessment of Environmental, Social and Governance (ESG) considerations when selecting, retaining or redeeming the investments of BUSSQ.

This includes (but is not limited to) the consideration of climate change, human capital management and labour standards (including modern slavery in our supply chain) and governance practices (including transparent reporting) as part of this framework.

Whilst investments and investment managers are selected on their ability to contribute toward the achievement of BUSSQ's investment objectives, evaluation of ESG risks and opportunities forms a significant part of that evaluation.

* Source: abs.gov.au/ausstats

Switching options

BUSSQ gives you the flexibility to switch your investment option or mix of options at any time.

Switches received before the daily cut off are effective two business days later, except where there are public holidays.

Unit prices are declared daily and the daily switch cut off time is 6p.m. (AEDT/AEST*).

*AEST = Australian Eastern Standard Time (during winter, e.g. 6p.m. in QLD).

AEDT = Australian Eastern Daylight Time (during summer, e.g. 5p.m. in QLD).

NB: No unit prices will be declared on national public holidays and any other public holidays specific to Sydney, NSW.

How do I notify BUSSQ about my switch?

There are three ways to change your investment selection.

- **Over the phone** – by calling BUSSQ on **1800 692 877**.
- **Online** – simply log in to *MemberAccess* at **bussq.com.au** and follow the prompts.
- **Use a Member Investment Choice form** – You can obtain this form by downloading it from **bussq.com.au** or by calling BUSSQ on **1800 692 877** and request one to be sent to you.

Once you have completed your *Member Investment Choice* form you can mail it to:

BUSSQ
GPO Box 2775,
Brisbane QLD 4001

or scan and email to **super@bussq.com.au**.

You will receive confirmation of your switch following the receipt of your request.

Derivatives

BUSSQ and its investment managers have the discretion to invest in derivative financial instruments from time to time. This is generally done to either hedge away a particular risk or to immediately rebalance the investment portfolio in a quick and efficient manner.

Keeping you updated

Our website is updated each business day with investment unit prices. Investment returns and commentary are updated monthly. Before making an investment decision we recommend you get advice and check out **bussq.com.au** for the most up to date information.

BUSSQ members have access to personal financial advice at no extra cost. The advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. The cost of this advice is included in the administration fees and costs. BUSSQ members also have access to tailored retirement advice which is advice on retirement income streams and transition to retirement. If the advice given extends beyond a member's BUSSQ super account, an additional fee is payable which will be detailed in the Statement of Advice your advisor gives you. Advice is provided by Link Advice Pty Ltd (ABN 36 105 811 836 AFSL 258145).

Investment options

Pre-mixed option

Balanced Growth Income Account

Designed for medium to long term investors. Balanced Growth Income Account is the most diversified pre-mixed option and provides a mix of growth and defensive assets such as shares, property and fixed interest securities. The frequency of negative annual returns is expected to be 4 to less than 6 years over any 20 years*.

Investment objective

For the annual rate credited to members to exceed the change in the Consumer Price Index by +3.00% per annum over rolling 10 years.

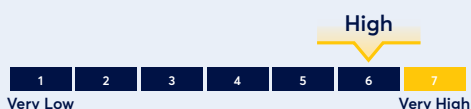
Target asset allocation

	Strategic asset allocation	Range
Australian Shares	28.0%	10 – 35%
International Shares	17.0%	10 – 35%
Opportunistic Growth	3.5%	0 – 10%
Property	10.0%	5 – 20%
Infrastructure	13.0%	5 – 20%
Agriculture	3.0%	0 – 10%
Opportunistic Debt	10.5%	0 – 20%
Fixed Interest	9.0%	5 – 30%
Cash	6.0%	0 – 10%

Suggested minimum investment timeframe

At least five years

Risk level



Pre-mixed option

Defensive Income Account

Designed for short to medium term investors looking for stable returns with minimal capital growth. The Defensive option provides investments mainly in fixed interest securities, with moderate exposure to growth assets, such as shares and property. The frequency of negative annual returns is expected to be 2 to less than 3 years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +1.50% per annum over rolling 10 years.

Target asset allocation

	Strategic asset allocation	Range
Australian Shares	10.5%	5 – 15%
International Shares	7.5%	5 – 15%
Opportunistic Growth	0.0%	0 – 10%
Property	10.0%	5 – 20%
Infrastructure	13.0%	5 – 20%
Agriculture	3.0%	0 – 10%
Opportunistic Debt	11.0%	0 – 25%
Fixed Interest	21.5%	15 – 50%
Cash	23.5%	10 – 30%

Suggested minimum investment timeframe

At least three years

Risk level



* The frequency of a negative return is based on BUSSQ's investment consultant's capital market assumptions and is not guaranteed. Refer to BUSSQ's most recent Annual Report and website for actual returns.

Pre-mixed option

High Growth Income Account

This option may suit long term investors looking for potentially stronger returns and capital growth and who can tolerate a higher level of risk and volatility. High Growth provides a high allocation of investments to growth assets, such as shares. The frequency of negative annual returns is expected to be 4 to less than 6 years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +3.75% per annum over rolling 10 years.

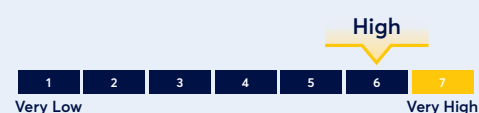
Target asset allocation

	Strategic asset allocation	Range
Australian Shares	37.5%	25 – 45%
International Shares	27.5%	25 – 45%
Opportunistic Growth	3.5%	0 – 10%
Property	10.0%	5 – 20%
Infrastructure	13.0%	5 – 20%
Agriculture	3.0%	0 – 10%
Opportunistic Debt	5.5%	0 – 20%
Cash	0.0%	0 – 10%

Suggested minimum investment timeframe

At least 10 years

Risk level



Single asset class option

Cash

This investment option is for investors who are risk averse and looking for a secure 100% Cash investment. This option may suit members who are willing to sacrifice overall return in favour of less risk and a steady rate of return. The Cash pool aims to avoid negative annual returns in any year*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the Bloomberg AusBond Bank Bill return over rolling 10 years.

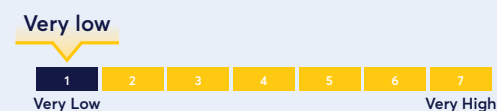
Target asset allocation

Cash	100%
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Suggested minimum investment timeframe

Not applicable

Risk level



* The frequency of a negative return is based on BUSSQ's investment consultant's capital market assumptions and is not guaranteed. Refer to BUSSQ's most recent Annual Report and website for actual returns.

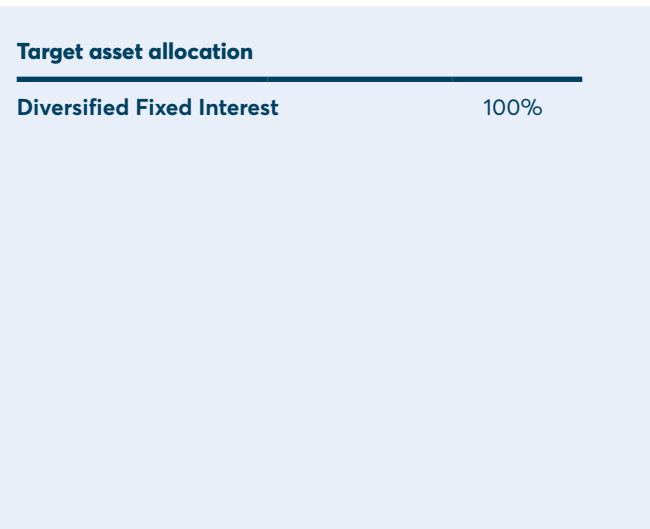
Single asset class option

Diversified Fixed Interest

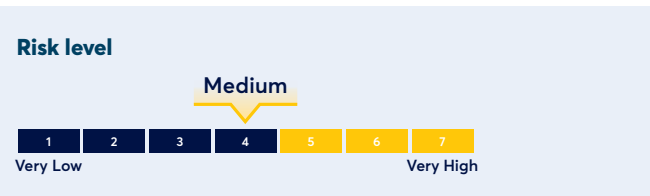
This investment option is for investors looking for a stand alone Fixed Interest investment. This option invests in BUSSQ's Diversified Fixed Interest sector. The frequency of negative annual returns is expected to be 2 to less than 3 years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding 100% of the Bloomberg Composite Index return over rolling 10 years.



Suggested minimum investment timeframe
At least three years



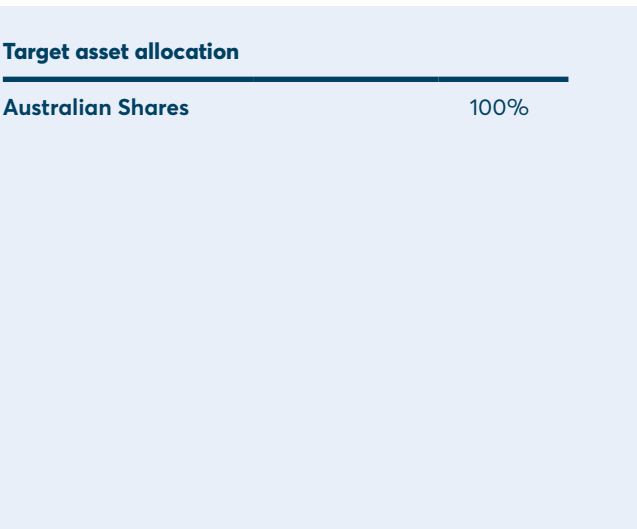
Single asset class option

Australian Shares

This investment option is for investors looking for a stand alone Australian Shares investment. This option is a sector specific option and invests 100% in BUSSQ's Australian Shares sector. The frequency of negative annual returns is expected to be 6 years or greater over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the S&P/ASX 300 Index return over rolling 10 years.



Suggested minimum investment timeframe
At least 10 years



* The frequency of a negative return is based on BUSSQ's investment consultant's capital market assumptions and is not guaranteed. Refer to BUSSQ's most recent Annual Report and website for actual returns.

Single asset class option

Australian Shares (Small Companies)

This investment option is for investors looking for a stand alone investment, focused on shares in smaller Australian companies. This option is a sector specific option and invests 100% in Australian Shares and, in particular, smaller listed companies. The frequency of negative annual returns is expected to be 6 or greater years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the S&P/ASX Small Ordinaries Index return over rolling 10 years.

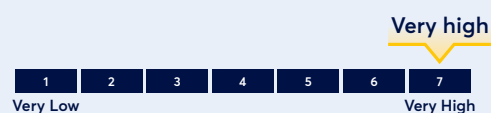
Target asset allocation

Australian Shares (Small Companies)	100%
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Suggested minimum investment timeframe

At least 10 years

Risk level



Single asset class option

All Shares

This investment option is for investors looking for a diversified Shares investment covering both Australian and International Shares. The option will invest 50% in Australian Shares and 50% in Overseas Shares. The frequency of negative annual returns is expected to be 6 or greater years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding 50% of the S&P/ASX300 Index + 50% MSCI All Country World Index returns over rolling 10 years.

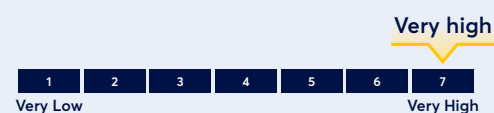
Target asset allocation

Australian Shares	49-51%
International Shares	49-51%

Suggested minimum investment timeframe

At least 10 years

Risk level



* The frequency of a negative return is based on BUSSQ's investment consultant's capital market assumptions and is not guaranteed. Refer to BUSSQ's most recent Annual Report and website for actual returns.

Single asset class option

International Shares

This investment option is for investors looking for a stand alone International Shares investment. This option has variable currency hedging depending on market conditions and the assessed relative value of the Australian dollar. The frequency of negative annual returns is expected to be 6 or greater years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the MSCI All Country World Index return over rolling 10 years.



Suggested minimum investment timeframe
At least 10 years



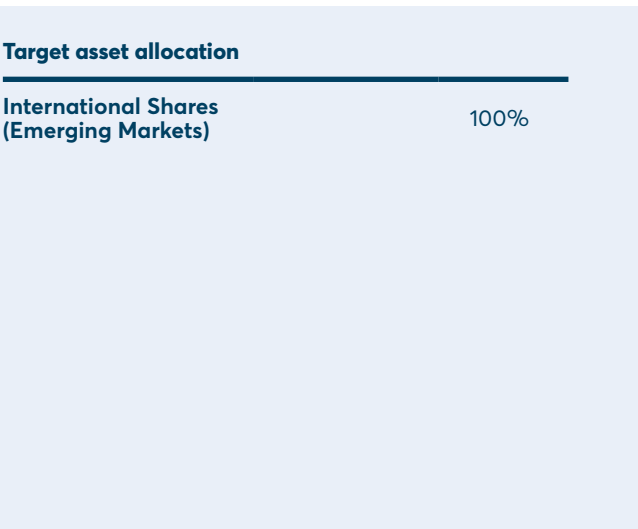
Single asset class option

International Shares (Emerging Markets)

This investment option is for investors looking for a stand alone investment in International Shares in emerging market countries (e.g. Brazil, India, China). This option is unhedged, which means that it will be subject to fluctuations in performance because of currency movements. The frequency of negative annual returns is expected to be 6 or greater years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the MSCI Emerging Markets Index return over rolling 10 years.



Suggested minimum investment timeframe
At least 10 years



* The frequency of a negative return is based on BUSSQ’s investment consultant’s capital market assumptions and is not guaranteed. Refer to BUSSQ’s most recent Annual Report and website for actual returns.

Risks to consider

Measuring risk

A standard risk measure for investment options has been developed for super funds to make it easier for you to compare investment options (both within and across super funds). The Standard Risk Measure is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. There are seven risk bands and they are as follows:

Risk band	Risk level	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

The Standard Risk Measure 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 you may require to meet your objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

The use of the Standard Risk Measure is endorsed and strongly recommended by the Australian Prudential Regulatory Authority (APRA), Australian Securities and Investments Commission (ASIC), Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC) for all Australian super funds.



The risk

There are various types of risk associated with investing in a super fund and the most important are discussed here.

All investments are subject to varying risks and generally all investments change in value over time. Different asset classes perform differently at different times.

The significant risks that relate to investing in BUSSQ are:
Inflation, market risk, individual investment risk, interest rate risk, currency risk and derivatives risk.

The effect of these risks is reduced by diversification, that is, by investing in a wide range of different types of investments, such as those BUSSQ invests in.

The risk profile and investment objectives of BUSSQ’s investment options are outlined on the previous pages.

Other risks that may have an impact when investing in BUSSQ include: Regulatory risk, timing risk and liquidity risk.

Because each of BUSSQ’s investment options have a different investment mix, the risks of investing in each option are different. While each of the risks identified can happen, the risks marked in this table are the ones we believe are the most significant for each.

Inflation – The risk that inflation may exceed the return on your investment. This means that the purchasing power of your investment will be reduced.

Market – The risk that the performance of the market as a whole will affect the investment option’s returns. The market can be affected by economic, technological, political or legislative conditions, world events and even market sentiment.

Individual investment – The risk that individual assets falling in value as a result of changes in the internal procedures or management of a fund or entity in which BUSSQ invests.

Interest rate – The risk that changes in interest rates can impact directly or indirectly on investment returns.

Currency – The risk that changes in the value of currencies can affect the return on overseas investments. A rise in the Australian dollar relative to the currency in which the asset is invested may result in a fall in the capital value of your overseas asset.

Derivatives – The investment managers included in these investment options may include derivatives as a method of managing risk or gaining exposure to other types of investments. The risks associated with derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the fund not being able to meet payment obligations as they arise and counterparty risk where the counterparty cannot meet its obligations.

Regulatory – The risk of changes in government policy or legislation which may affect your ability to access your benefits. For example, amendments to the treatment of superannuation interests of members in family law matters means that your super benefit may be split with your spouse in the event of your divorce or permanent separation.

Timing – The risk that you may try to time the market and buy low and sell high. This will increase the volatility of your investment and increase the risk. Most people cannot successfully time the market.

Liquidity – As super is a long term investment BUSSQ invests some of the fund in assets such as property, infrastructure and agriculture that cannot be liquidated quickly. BUSSQ manages this with regular reporting from our investment consultants and by ensuring that enough cash is held to meet most short term requirements.

Risk Type	Defensive	Balanced Growth	High Growth	Cash	Diversified Fixed Interest	Australian Shares	Australian Shares (Small Companies)	All Shares	International Shares	International Shares (Emerging Markets)
Inflation				✓	✓					
Market	✓	✓	✓		✓	✓	✓	✓	✓	✓
Individual investment	✓	✓	✓		✓	✓	✓	✓	✓	✓
Interest rate	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Currency	✓	✓	✓		✓			✓	✓	✓
Derivatives	✓	✓	✓		✓	✓	✓	✓	✓	✓
Regulatory	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Timing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Liquidity	✓	✓	✓		✓	✓	✓	✓	✓	✓

Managing your money

How earnings are applied to your account

When you invest in a BUSSQ TAP, you buy a number of units in the investment option of your choice. The number of units you receive depends on the value of the units (the unit price) at the date they are bought.

The value of your investment from then on depends on the number of units that you have and the value of those units – much like owning shares.

Example

If you have **\$150,000** to invest in the TAP Balanced Growth Income Account option on 1 July when units in that option are valued at **\$1**, you will start your TAP with:

Initial Investment	\$150,000
Value of units at 1 July	\$1
Number of units bought	150,000

If on 1 August the unit price increases to \$1.01 then you have

Initial investment	\$150,000
Value of a unit at 1 August	\$1.01
Value of units owned at 1 August	\$151,500

Example

For example, if a payment of **\$5,000** is made to you from your TAP when the unit price is **\$1.01** (and using the previous example), then you will have:

Withdrawal	\$5,000
Number of units withdrawn	4,950.5 at \$1.01 per unit
Number of units remaining	145,049.5
Value of your remaining units	145,049.5 x \$1.01 = \$146,500

Withdrawals from your account

When payments are made from your TAP, you are really withdrawing a number of units.

Online accounts and statements

- **Online accounts** – you can access your account details 24/7 through the *MemberAccess* secure online portal at **bussq.com.au**. Once you've registered for *MemberAccess*, you can view and change your membership details, view your account balance and recent withdrawals, view and switch investment options, view your beneficiary details and more.
- **Statements** – as a member of a BUSSQ TAP you will receive member statements showing your account details as at 30 June each year. Member statements will be sent electronically unless you advise us that you would prefer paper statements.

You can also get information about your account by phoning BUSSQ on **1800 692 877** or emailing **super@bussq.com.au**.

Reserving policy

As required by legislation, BUSSQ maintains an Operational Risk Financial Reserve of 0.25% for the Fund and 0.1% for BUSSQ's Pooled Superannuation Trust. BUSSQ also maintains a General Reserve with its optimum level around 0.15% of assets. More information on reserves is provided in the Annual Report to members available at **bussq.com.au/disclosure**.

The value of units

The nature of investment markets means that the value of your units can rise or fall. The unit price reflects the performance of the investments in the option(s) you have chosen.

This is why it is important for you to choose an investment option that you are comfortable with, as different options have different levels of volatility.

Determining the unit value

The unit value is determined by taking into account the change in value of investments within the relevant investment option and deducting estimated investment and management charges, reserves and tax. The unit price is calculated daily with the exception being on national public holidays and any other public holidays specific to Sydney, NSW.

In times of high volatility, BUSSQ reserves the right to suspend the calculation of unit prices.

TAP beneficiaries

Decide your beneficiaries

Before opening a TAP account, it's important to consider who you would like to receive any money left in your TAP account when you die.

If you die and have a TAP account with BUSSQ, any remaining balance will be paid to your dependants and/or your legal personal representative on behalf of your estate. The balance of your account is made up of any money remaining in your account, less outstanding fees and taxes.

Who gets your TAP if you die?

You may nominate:

- A reversionary beneficiary; or
- A binding beneficiary; and/or
- A non-binding beneficiary,

to receive any money left in your BUSSQ Income account when you die.

The most appropriate nomination will depend on your personal circumstances. If you do not make a nomination the Trustee will in its absolute discretion pay your benefit to your dependants or legal personal representative.

Definition

Dependant

For superannuation purposes, the following definition of 'dependant' applies:

- Your spouse (legal or de facto)
- Your children (including step, adopted, ex-nuptial, child of your spouse or child within the meaning of the Family Law Act, 1975).
- Any person financially dependent on you at the time of your death
- Any person who is in an interdependent relationship with you at the time of your death.

Two people are in an interdependent relationship if:

- They have a close personal relationship, and
- Live together, and
- One or each of them provides the other with financial support, and
- One or each of them provides the other with domestic support and personal care.

An interdependent relationship also exists if two people have a close personal relationship, but the other requirements are not satisfied because either or both of them suffer from a physical, intellectual or psychiatric disability.

Beneficiary options

Option 1

Nominate a reversionary beneficiary

A reversionary income will be paid from your TAP account to your spouse or other named reversionary beneficiary following your death.

A reversionary beneficiary must be a dependant (see definition on the previous page).

You can only nominate a reversionary beneficiary when you open your BUSSQ TAP account. If you want to change your nominated reversionary beneficiary at a later date, you have to cancel the TAP account related to your nominated reversionary beneficiary and open a new TAP account.

If you do not nominate a reversionary beneficiary when opening your BUSSQ TAP account, in the event of your death, the remaining money in your account will be paid to one or more of your dependants or your legal personal representative as determined by BUSSQ.

If your reversionary beneficiary dies before the money in your BUSSQ TAP account runs out, the balance of the account will be paid to your reversionary beneficiary's preferred beneficiaries or legal personal representative.

Option 2

Nominate your binding beneficiary

You may nominate one or more of your dependants or your legal personal representative as the recipient of your BUSSQ TAP account in the event of your death.

If you make a valid binding nomination, the Trustee of the Fund is obliged to follow the nominations you've made on your *Binding Death Benefit Nomination* form when it comes time to pay your Death benefit.

If you make a binding nomination to someone who is not a dependant or legal personal representative, the Trustee may not be able to abide by your wishes at the time of death.

Your binding nomination remains valid for three years. If you do not renew your binding nomination the Trustee will no longer be obliged to follow your nominations.

Your legal personal representative is the executor of your will or the administrator of your estate.

There are certain conditions that must be met to make sure your binding nomination is valid, call BUSSQ on **1800 692 877** to find out more information.

Option 3

Nominate your preferred non-binding beneficiary

If you choose to make a non-binding nomination, BUSSQ will use it as a guide, along with other current and relevant information, to make a decision in the event of your death.

It is at the Trustees' discretion where your Death benefit will go.

Tax and your TAP account

Tax on payments

If you are 60 years of age or older

All payments and lump sums paid from a BUSSQ TAP are tax free. You will not be required to put any of these amounts into your tax return.

If you are under 60 and reached your preservation age

Your TAP will have two components:

1. A tax free component, and
2. A taxable component

All payments will be made pro-rata from these components.

Tax File Number (TFN) information

BUSSQ is authorised to ask for your Tax File Number (TFN) under the Superannuation Industry (Supervision) Act 1993 (SIS). Advising BUSSQ of your Tax File Number is voluntary and it is not an offence if you choose not to provide it. BUSSQ is required by law to take the necessary steps to properly safeguard your TFN. BUSSQ's intention is to use your TFN only for approved legislative superannuation purposes.

Approved legislative purposes include:

- To advise the Tax Office for taxation purposes
- To advise the Tax Office for the purpose of the Lost Member Register in the event of you becoming lost
- To allow your TFN to be passed on to another regulated fund or Retirement Savings Account, if your benefit is transferred or rolled over, unless BUSSQ receives written notification stating otherwise
- To advise the relevant State authority if we are paying unclaimed money.

Note: These lawful purposes may change as a result of future legislation.

PLEASE NOTE

If you choose not to provide your TFN to BUSSQ, payments made to you will be subject to PAYG tax at the highest marginal rate, plus the Medicare levy. This may be recovered after lodgement of your tax return.

Example

Peter is age 56 and has in his super fund account \$400,000. His super includes a tax free component of \$100,000 and a taxable component of \$300,000. Peter uses all of his super to open a TAP on 1 August 2007.

The tax free percentage of Peter's superannuation interest when the TAP was opened:

Tax free component \$100,000 = 25%

Value of the plan \$400,000

The taxable percentage of Peter's TAP account would therefore be 75%.

Peter receives a BUSSQ TAP payment of \$2,000 on 1 September 2007. The tax free component of this benefit was:

\$2,000 x 25% = \$500

The taxable component is \$1,500 (\$2,000 - \$500).

The taxable component will be taxed at his marginal tax rates plus Medicare. However, it will attract a 15% tax offset, therefore reducing the tax payable.

The above is only an overview of how benefits from a TAP will be taxed. We suggest that before a decision is made to purchase one of these products that you obtain advice that relates to your personal circumstances.

Tax on a death benefit paid as a reversionary income

The taxation of a Death benefit paid as a reversionary income (as opposed to a lump sum) will depend on the age of the deceased member and the reversionary account recipient. If the deceased member was aged 60 or over at the time of death, then payments to the reversionary beneficiary will be paid tax exempt.

If the deceased member was under age 60 at the time of death, the account will be taxed at the reversionary beneficiary's marginal tax rate (less any tax free amount and offset) unless, or until, the reversionary beneficiary is aged 60 or over, in which case any residual amount becomes tax exempt.

A Death benefit can be paid to a dependant child through regular payments from an Income account. These payments are subject to tax at the adult marginal rates, with a 15% tax offset. Where the deceased member (the child's parent) was over age 60, the payments are tax free. When the child reaches 18 years of age, the remaining balance in the account may be paid to the child as a lump sum, tax free.

If your Death benefit is left to a non-dependant, it will be paid as a lump sum as it is not able to be paid as an income stream.

For information about reversionary beneficiaries see previous page.

Tax on lump sum death benefit

A lump sum Death benefit payment will be tax free if paid to a person who is dependant for tax purposes.

For tax purposes, you are a dependant of the deceased if at the time of their death you were:

- their spouse or de facto spouse (of any sex)
- a former spouse or de facto spouse (of any sex)
- a child of the deceased under 18 years old
- in an interdependency relationship with the deceased
- any other person dependent on the deceased.

If the lump sum Death benefit is paid to a person who is a non-dependant, the taxable component will be taxed at 15% plus Medicare levy.

Tax on a death benefit paid to a dependant for tax purposes

Type of death benefit	Age of deceased	Age of recipient	Taxation
Lump sum	Any age	Any age	Tax free
TAP account	Age 60 and above	Any age	Tax free
	Any age	Age 60 and above	Tax free
	Under 60	Under 60	Taxable at marginal rates with 15% offset on taxable component. Tax free component is always tax free.

Tax on a death benefit paid to a non-dependant for tax purposes

Age of deceased	Death benefit	Age of recipient	Taxation
Any age	Lump sum	Any age	Taxable component is subject to 15% tax (plus Medicare levy*).

* Medicare levy is currently 2%.

Valuable service for BUSSQ members

Centrelink Age Pension qualification age

To get the Centrelink/Department of Veterans' Affairs (DVA) Age Pension, you must have reached the qualifying age, which is gradually increasing from 65 to 67 years.

Refer to the table below to see at what age you're qualified to receive the Age Pension.

Date of birth	Qualification age	
	Male	Female
Up to 30 June 1955	Already qualified	
1 July 1955 to 31 December 1956	66.5	66.5
1 January 1957 or later	67	67

Centrelink/Department of Veterans' Affairs administers the payments and services for people who are retired or planning retirement.

They assist with:

- Centrelink Age Pension
- Advance payments
- Allowance rolled into pension payment
- Commonwealth Seniors Health Card
- Seniors Concession Allowance
- Home Equity Access Scheme
- Income assessment for residential aged care fees
- Asset assessments for entry to residential aged care
- Grandparents and carers who raise and care for children/grandchildren.

The Centrelink Age Pension is a safety net for older people who are not able to fully provide for themselves in retirement. It is paid to eligible people who have reached Age Pension age.

Automatic Centrelink submission service

If you receive a Centrelink benefit, such as the Age or Disability Pension, Centrelink needs to find out information about your BUSSQ TAP twice a year. This information helps Centrelink calculate your payment. Centrelink needs to know how much income you have received from your BUSSQ TAP, as well as your current account balance and lump sum payment details. For some members this can be a difficult task, so we have teamed up with Centrelink to automate the process and make it as easy for you as possible.

In August each year, BUSSQ electronically advises Centrelink of the relevant data for TAP members, which saves you time and effort. In addition, some TAP accounts are also updated in February, as requested by Centrelink at the time.

How to find out more

We recommend you seek financial advice with regard to your BUSSQ TAP and how it may affect your government payment eligibility.

BUSSQ members have access to personal financial advice at no extra cost. The advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. The cost of this advice is included in the administration fees and costs. BUSSQ members also have access to tailored retirement advice which is advice on retirement income streams and transition to retirement. If the advice given extends beyond a member's BUSSQ super account, an additional fee is payable which will be detailed in the Statement of Advice your advisor gives you. Advice is provided by Link Advice Pty Ltd (ABN 36 105 811 836 AFSL 258145).

For more information about Centrelink Age Pension and other benefits see servicesaustralia.gov.au or phone Centrelink on **13 23 00**.

Alternatively, if you are a Department of Veterans' Affairs see dva.gov.au or call **133 254**.

Other information

BUSSQ's Privacy policy

BUSSQ respects your privacy and protecting your personal information is important to us. We comply with the Australian Privacy Principles in the Privacy Act when we handle your personal information. To obtain a copy of BUSSQ's Privacy Policy go to bussq.com.au or give us a call.

Family law

Under Family Law legislation, if your marriage or de facto relationship breaks down, your BUSSQ TAP account can be subject to splitting between you and your spouse or de facto.

The law is not retrospective, which means if you finalised your property settlement prior to 28 December 2002, your TAP account cannot be split.

Family Law affects your TAP in three key areas:

- **Request for information** – You, your spouse or your fiancé entering into a prenuptial agreement are able to request certain information about your TAP account.
- **Superannuation agreement** – You can enter into a superannuation agreement with your spouse or de facto (opposite sex or same sex). This can be made before during or after a marriage or de facto relationship. A superannuation agreement is binding upon the Trustees as long as it complies with legislation at that time.
- **Splitting** – The parties are able to split your TAP through an agreement or court order.

Complaints

If you are not happy with any aspect of your contact with BUSSQ and wish to make a complaint, you should contact the Complaints Officer:

The Complaints Officer contact details are:

Phone 1800 692 877
Mail Complaints Officer,
BUSSQ
GPO Box 2775,
Brisbane QLD 4001
Email super@bussq.com.au

Alternatively, you can make a complaint in person to a BUSSQ representative, or online at bussq.com.au or via BUSSQ-owned or controlled social media.

The Complaints Officer will investigate your complaint on your behalf and write to inform you of the results of that investigation no later than 45 calendar days after receiving your complaint (unless the complaint relates to a death benefit distribution, in which case the Complaints Officer will

respond no later than 90 calendar days after the expiry of the 28 calendar day period for objecting to a proposed death benefit distribution).

* Sometimes we will need more time to investigate and respond to your complaint. In such a situation, before the relevant response timeframe expires, we will provide you with an Internal Dispute Resolution (IDR) delay notification which provides reasons for the delay and your right to take your complaint to the Australian Financial Complaints Authority (AFCA).

If you are not satisfied with our response or you have not received a response within the required timeframe, you may take your complaint to AFCA.

About AFCA

AFCA provides a fair and independent financial services complaint resolution service that is free to consumers. AFCA may be able to help resolve your complaint, but only after you have made a complaint to BUSSQ.

AFCA contact details are:

Website www.afca.org.au
Email info@afca.org.au
Phone 1800 931 678 (free call)
Mail Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Make sure we have your details

If you have changed your address, or if you are about to, don't forget to let us know. This way, you will continue to receive your important account statements and other valuable information.

Do you want to find out more?

Information contained within this PDS may change from time to time. BUSSQ will advise you of material changes or significant events within timeframes prescribed by the legislation via direct communications or bussq.com.au. Unless the changed information is materially adverse to members, we may not always update or replace this document to reflect the changed information.

Any updated information may be published on BUSSQ's website at bussq.com.au. Paper copies of any updated material (and any other existing documentation) are also available without charge on request by contacting BUSSQ.

BUSSQ Building Super

BUSSQ House, Ground Floor,
299 Coronation Drive, Milton QLD 4064

Postal Address

GPO Box 2775, Brisbane, QLD 4001

Other important details

USI BUS0005AU

Fund's Registration Number R1055870

Trustee's Registered Superannuation Entity (RSE)

licence number L0002158

BUSS(Queensland) Pty Ltd ABN 15 065 081 281 AFSL

237860, Trustee of Building Unions Superannuation

Scheme (Queensland) (BUSSQ) ABN 85 571 332 201

For more information call 1800 692 877,
email super@bussq.com.au or visit bussq.com.au