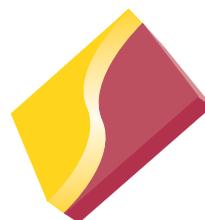


Information Guide

# Synergy Retirement Service Superannuation and Income Stream

Effective date: 21 December 2012



**SYNERGY**  
Capital Management Ltd

## About this document

This publication has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, you need to consider whether this information is appropriate to your needs, objectives and circumstances and consult with your financial adviser. You should obtain a copy of the relevant Product Disclosure Statement (PDS) before making a decision to invest in any financial product. Copies of our PDSs can be obtained from [www.scml.com.au](http://www.scml.com.au), your adviser or by calling the Client Service Centre on 1800 245 636. Applications for investment will only be accepted on receipt of an application form accompanying a current PDS. Detailed information about the product is contained in the PDS. This information is provided for persons in Australia only and is not provided for the use of any person who is in any other country.

## Terms used in this document

### Throughout this document

References to	Mean(s)
Trustee, our, we or us	N.M. Super
Synergy Retirement Service	Synergy Retirement Service – Superannuation and Income Stream
Member or you	A member of Synergy Retirement Service, including any person you authorise to act on your behalf.
Financial adviser	A financial adviser holding an AFS Licence or acting as an authorised representative of a licensee.
Business day	A day that is not a Saturday, Sunday, public holiday or bank holiday in the State of Tasmania.

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The Synergy Retirement Service Information Guide (Information Guide) is referred to in both Part 1 and Part 4 of the Synergy Retirement Service – Superannuation and Income Stream Product Disclosure Statement (PDS) and contains additional information on the features and benefits of the Synergy Retirement Service. It forms part of the PDS and can be found at [www.scml.com.au/infoguide](http://www.scml.com.au/infoguide).

The Synergy Retirement Service – Superannuation and Income Stream PDS comprises the following parts:

**Part 1:** Synergy Retirement Service – Superannuation and Income Stream PDS

**Part 2:** Synergy Insurance Protection

**Part 3:** Employer Super booklet

**Part 4:** Synergy Retirement Service Investment Authority

Synergy Retirement Service Information Guide: Additional information about the Synergy Retirement Service (Information Guide).

Any reference to the 'Synergy Retirement Service' means 'Synergy Retirement Service – Superannuation and Income Stream'.

**A printed copy can be obtained free of charge by contacting the Client Service Centre on 1800 245 636.**

## Section 1 What type of contributions can be made?

### Contributing to Synergy Retirement Service – Superannuation

The following table illustrates the type of contributions you can make to your Synergy Retirement Service – Superannuation account.

Your age	Types of contributions that can be made
Under 65	<ul style="list-style-type: none"> <li>• Mandated employer contributions: Superannuation Guarantee (SG) and award</li> <li>• Employer voluntary contributions</li> <li>• Salary sacrifice</li> <li>• Personal contributions</li> <li>• Spouse contributions</li> <li>• Government co-contributions</li> </ul>
Age 65 to 69 (inclusive)	<ul style="list-style-type: none"> <li>• Mandated employer contributions</li> <li>• Employer voluntary contributions once you have met the work test<sup>1</sup>, that is, you have been gainfully employed or self-employed for at least 40 hours in a period of 30 consecutive days in the financial year</li> <li>• Personal contributions including spouse contributions once you have met the work test<sup>1</sup>, that is, you have been gainfully employed or self-employed for at least 40 hours in a period of 30 consecutive days in the financial year</li> <li>• Government co-contributions</li> </ul>
Age 70 to 74 (inclusive)	<ul style="list-style-type: none"> <li>• Mandated employer contributions: SG and award</li> <li>• Employer voluntary contributions once you have met the work test<sup>1</sup>, that is, you have been gainfully employed or self-employed for at least 40 hours in a period of 30 consecutive days in the financial year</li> <li>• Personal contributions excluding spouse contributions once you have met the work test<sup>1</sup>, that is, you have been gainfully employed or self-employed for at least 40 hours in a period of 30 consecutive days in the financial year</li> <li>• Government co-contributions (up to and including age 70)</li> </ul>
Age 75 and over	<ul style="list-style-type: none"> <li>• Mandated employer contributions only: award</li> </ul>

<sup>1</sup> If you are Age 65 to 74 and wish to contribute to superannuation on the basis that you have met the work test, we require confirmation in writing. You can do this by completing the 'Eligibility' section in the application form or contacting your financial adviser or the Client Service Centre on 1800 245 636 to obtain the appropriate form.

### Concessional contributions

Concessional contributions include the following:

SG/Award contributions	SG contributions and award contributions are mandated contributions paid into your account by your employer. The amount your employer must contribute is set by legislation or the relevant industrial agreement and is a percentage of your before tax income. At present the SG contribution percentage is generally 9 per cent of your salary.
Additional employer contributions	Your employer can make extra contributions to your account in addition to mandated SG or award contributions. These extra contributions may include payments for insurance premiums and fees.
Salary sacrifice contributions	Salary sacrifice contributions are deducted from your before tax salary. You will need to enter into an agreement with your employer in order to be able to make such contributions.
Personal contributions for which a tax deduction has been claimed	Members of Synergy Retirement Service who are self-employed or substantially self-employed and are making personal contributions may be eligible to claim a tax deduction. If a valid notice of your intent to claim a tax deduction is received the contribution will be treated as a concessional contribution.

## Section 1 What type of contributions can be made?

### Non-concessional contributions

Non-concessional contributions are contributions made to a superannuation fund which are generally made from a member's after-tax income, though some exceptions to this rule apply.

Personal contributions	You can arrange with your employer to make regular contributions via a payroll deduction from your after-tax salary. Alternatively you can make contributions directly to Synergy Retirement Service. If you make personal contributions, you may qualify for the government's co-contribution scheme (see the table 'Other contributions' below for more details).
Spouse contributions	These are contributions paid by your spouse into your account. Your spouse does not need to be a member of Synergy Retirement Service to make spouse contributions.

### Other contributions

Other contributions Synergy Retirement Service may accept include:

Government co-contributions	Payments made by the government to superannuation accounts of certain low-income earners who make non-concessional personal contributions and who are either employees or who generate at least 10 per cent of their income from business activities.
Rollovers from other superannuation funds	If you are entitled to a benefit from another superannuation fund, deferred annuity, retirement savings account or approved deposit fund, you may choose to rollover the amount and consolidate your superannuation benefits under Synergy Retirement Service. This may also be the simplest and most cost-efficient approach to keep track of your superannuation benefits. Speak to your financial adviser to see if this is appropriate for you.
CGT small business	Certain proceeds from the disposal of qualifying small business assets can be contributed, provided that a tax deduction is not claimed for the contribution. You should consult your financial adviser to confirm if you are eligible to make this type of contribution.

## Section 1 What type of contributions can be made?

### Contribution splitting with your spouse

After the end of each financial year you can elect to split all or some of the contributions you have made into your Synergy Retirement Service account during that financial year with your spouse. A spouse is defined as:

- another person (whether of the same sex or a different sex) with whom you are in a relationship that is registered under a law of a State or Territory, or
- another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

The type and amount of contributions you can split are shown in the following table:

Contribution type	Amount that can be split
<b>Taxed contributions</b> <ul style="list-style-type: none"><li>• All employer contributions<ul style="list-style-type: none"><li>– SG</li><li>– Award</li><li>– Salary sacrifice</li></ul></li><li>• Personal contributions for which you have claimed a tax deduction</li></ul>	The lesser of up to 85% of total splittable contributions or your concessional contributions cap (see Section 7 'How superannuation is taxed' for further information on contributions caps).

An 'Election to Split Superannuation Contributions' form can be obtained from your financial adviser, or by contacting the Client Service Centre on 1800 245 636. You must notify us within 12 months of the end of the financial year if you wish to split your contributions for that financial year with your spouse.

### Rollovers

To roll over existing superannuation benefits into the Synergy Retirement Service, complete the transfer authority that accompanies Part 1 of the PDS. In specie transfers are not available. The Trustee of your existing superannuation fund may require the superannuation product identification number (SPIN) of the Fund to roll over your benefits. The SPIN number of the Synergy Retirement Service is SGY0003AU. If required, a copy of the Certificate of Compliance can be obtained from [www.scml.com.au](http://www.scml.com.au).

## Section 2 When can I access my super?

Your superannuation benefit is the total of all contributions made, benefits rolled over or transferred in, plus investment earnings, insurance proceeds (if any), less fees, taxes, lump sum withdrawals, insurance premiums (if any) and other charges. Most superannuation benefits are preserved and superannuation law provides that preserved benefits can only be paid in any of the following circumstances:

- when you reach age 65
- if you cease employment after age 60
- If you are aged between the preservation age and 64 (see table below) and are still working full time, your superannuation benefit can be used to commence a transition to retirement income stream
- when you permanently retire, after attaining the preservation age applicable to you (see table below)
- if you suffer permanent incapacity as defined in the Superannuation Industry (Supervision) Act 1994
- if you satisfy the criteria for early release of part or all of your benefit on the grounds of severe financial hardship to the satisfaction of the Trustee. A maximum of \$10,000 (gross) per year may be redeemed
- if the Department of Human Services approves the release on specified compassionate grounds
- upon your death
- if you satisfy the criteria of terminal medical condition as specified by superannuation law
- on complying with any other condition of release specified by superannuation law.

All new superannuation contributions and any investment earnings are preserved.

### Preservation age

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

Some or all of your benefit you roll over to Synergy Retirement Service may be restricted non-preserved or unrestricted non-preserved. Unrestricted non-preserved benefits can be withdrawn at any time. Restricted non-preserved can be withdrawn when you cease employment with the employer that made the contributions to which they relate.

Please speak to your financial adviser if you require further information about restricted non-preserved and unrestricted non-preserved benefits.

### When your benefit must be paid

Compulsory cashing will only apply in the event of your death. You may transfer or rollover your benefits at any time to another super or retirement fund that complies with Federal Government regulations. You have the option of converting all or part of your benefits to the Synergy Retirement Service Income Stream where you will receive regular income payments in lieu of your lump-sum benefit. If you elect to convert to the Synergy Retirement Service Income Stream, your financial adviser will provide you with the current PDS.

### Temporary residents leaving Australia

The following does not apply to New Zealand residents and is limited to eligible visa holders.

If you have entered Australia on an eligible temporary resident visa you may claim your superannuation benefits once you have permanently departed Australia. Under superannuation legislation if you do not claim your benefit within six months of departing Australia, your benefit may be paid as unclaimed superannuation to the Australian Taxation Office (ATO). You will not receive notification or an exit statement from your superannuation fund. If this has occurred, you can claim your superannuation money from the ATO. For more information visit [www.ato.gov.au](http://www.ato.gov.au).

## Section 3 Commencing your income stream and calculating payments

### Commencing your income stream account

You can commence an income stream within the Synergy Retirement Service with the following types of funds:

- money that you roll over from another superannuation fund, approved deposit fund or deferred annuity
- money that you roll over from another pension, income stream or eligible termination payment annuity
- superannuation money that you have been accumulating in your Synergy Retirement Service – Superannuation account that you now wish to access as an income stream, and
- a death benefit payment, as permitted by law.

If you commence an income stream after 1 June but before 1 July, you can defer your first income stream payment until the new financial year.

### Income streams

You may establish an income stream account with the Synergy Retirement Service if:

- you are aged 65 or over
- you are aged 60 or over and retired from gainful employment on or after turning age 60
- the Trustee is satisfied that you are permanently disabled at any age
- you have received an eligible death benefit payment
- you have unrestricted non-preserved money from your superannuation
- you reach your preservation age, an arrangement under which you were gainfully employed has ended and the Trustee is satisfied that you do not intend to work more than 10 hours each week. Your preservation age depends on your date of birth.

You are free to change the amount of income you receive, as long as it is no less than the minimum allowable payment.

### Minimum annual income stream payments

There is no maximum prescribed annual payment; however, there is a minimum legislated annual payment that you are required to receive. The minimum annual payment is recalculated at 1 July each year as a percentage of your account balance. The percentage is based on your age at 1 July each year.

### Transition to retirement income streams

You may establish a transition to retirement income stream with the Synergy Retirement Service if you are aged between preservation age (as detailed in the preservation age table) and 64 and are still working.

You are free to change the amount of income you receive, as long as it is between the minimum and maximum payments.

### Temporary changes to the minimum annual income payment amounts

The Federal Government has announced that members can elect to reduce the minimum annual income percentages shown in the 'Minimum annual income stream payments' table in this section for the 2012/13 financial year by 25 per cent. This temporary relief recognises the effect of the financial market downturn in recent years on investments.

For example, a member aged 65 can elect to have a minimum of 3.75% paid in the 2012/13 financial year.

Current minimums are as follows:

#### Minimum annual income stream payments table

Age	% of account balance (legislated minimum)	Temporary % of account balance for 2012/13 financial year (reduced minimum)
Less than 65	4.00	3.00
65-74	5.00	3.75
75-79	6.00	4.50
80-84	7.00	5.25
85-89	9.00	6.75
90-94	11.00	8.25
95+	14.00	10.50

If you join part way through the financial year, the minimum annual payment rate will be the rate for your age at the date you commenced your income stream. The minimum annual amount for that year only, however, will be proportionately reduced based on the number of days remaining in the financial year.

Please note that if your member account is exhausted while you remain alive, then no more income stream payments will be paid.

## Section 4 What risks apply to investing?

The general sources of investment risk can be split into several categories such as:

### Market risk

This is the risk of the fall in the price of assets within a particular market. Movements in interest and inflation rates and changes in government, taxation, legislation and market sentiment can affect the value of assets in the investment options.

### Currency risk

Currency risk is the risk that the Australian dollar value of your portfolio may vary in accordance with such movements. At times, such risk can be substantial. Investors should be aware of such risks when making investment decisions and should consult their financial adviser accordingly.

### Risk of delay

Generally investment instructions are placed with the fund managers daily. Delays in purchasing and selling investments may occur for a number of reasons, including:

- if a transaction request does not provide sufficient detail for us to act on the request
- if the required signature is not provided
- where instructions are illegible or incomplete
- where the underlying market in which the assets are traded becomes illiquid.

### Derivative risk

The fund managers may use derivatives (ie securities that derive their value from other assets or indices) actively for risk management purposes or to gear the investment options (refer to Gearing risk below). The use of derivatives may result in more volatile returns and may increase the risk of gains and losses. This risk may apply to all of the investment options.

### Gearing risk

Some of the investment options may be geared via the use of borrowings or derivatives. Gearing can increase the magnitude of gains and losses within an investment option and may increase the volatility of investment returns.

### Legislative risk

Changes to superannuation legislation occur and may affect who can invest, what tax is to be paid, and when and how money can be withdrawn.

### Liquidity risk

This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay, because of inadequate market depth or disruptions in the market place.

Investment switches, withdrawals, rollovers and transfers from your superannuation or pension account are normally processed within 30 days of us receiving all the necessary information. There is an exception to this requirement where particular investments have redemption restrictions imposed by the underlying fund manager that prevent us from paying the benefit within this period. These are referred to as 'restricted or illiquid investments', and are specifically identified as such in the Synergy Retirement Service Investment Authority (Part 4 of the PDS).

### Investment strategy asset classes

There are five main asset classes that may be used to determine an investment strategy:

- Cash
- Fixed interest (Australian and international)
- Property (Australian and international)
- Equities (Australian and international)
- Alternatives

These asset classes have different risks and different expected returns.

## Section 4 What risks apply to investing?

The following table shows how asset classes may be classified by risk and return:

Asset class	Characteristics	Time horizon	Risk	Return
Cash	Cash consists of bank deposits and short-dated debt issued by governments and corporations. This asset class has a low-risk classification and historically has generated the lowest return of all the asset classes.	Generally 1–3 years	Low	Low
Fixed interest	Fixed interest consists principally of long-dated debt issued by governments and corporations. This asset class may provide a higher return than cash at a slightly higher risk.	Generally 2–4 years	Medium	Medium
Property	Property generally has lower risk and lower return than share investments as the value of the investment is supported by the underlying value of the property and the rental income. There is nonetheless a risk of reduction in value due to market cycles, increase in vacancies, etc. This asset class is riskier than cash and fixed interest.	Generally 3–5 years	Medium/High	Medium/High
Equities	Equities are shares of a company that may be listed on a stock exchange e.g. Australian Securities Exchange (ASX). The value of equities may rise or fall due to market cycles, the profitability of the underlying companies or currency movements (global equities only) etc. Equities (shares) generally have higher risk than other asset classes, but over long periods of time, on average, achieve higher returns.	Generally 5–7 years	High	High
Alternatives	Alternatives refer to a diverse range of assets including hedge funds, commodities and private market instruments. The risks associated with these assets are generally high but on average, over long periods of time, they may achieve high returns that (at times) can be diversified from the returns of other assets.	Generally 5–7 years	High	High

## Section 5 How will the benefit be paid upon death?

How you decide to allocate your death benefit can have taxation and estate planning consequences, so we encourage you to consult your financial adviser on this matter. A death benefit can be taken either as a lump sum or an income stream and you may nominate how the balance in your account is to be paid from the following:

- binding death benefit nomination
- trustee discretion or
- reversionary pension (income streams only).

### Binding death benefit nomination

A binding death benefit nomination gives you certainty about who will receive your superannuation benefit in the event of your death. When you have nominated a beneficiary and the nomination is valid under superannuation law, the trustee will act in accordance with that nomination. However, the Federal Government has imposed strict conditions on how a beneficiary must be nominated.

A beneficiary must be a spouse (including de facto spouse or same sex partner), a child (including an adopted child, step child or ex-nuptial child) or the child of the member's spouse or any person who is, or was at the relevant time, in the opinion of the Trustee, in an interdependency relationship with the member, (generally a close personal relationship between two people who live together, where one or both provides the other with financial support, domestic support and personal care), a legal personal representative or any person who in the opinion of the Trustee is or was at the relevant time, dependent in whole or part upon the member. If any beneficiary nominated is not a dependant according to superannuation law at the date of your death, this notice will be invalid.

With binding nominations, you may nominate specific individuals and the portion of the death benefit they will receive under the plan. You will only be able to nominate individuals who are eligible under superannuation law.

### How a binding nomination works

To make a binding nomination you will need to provide the personal details of your dependants to whom your death benefit is to be paid. You will need to provide their full name, address details, date of birth, sex, and their relationship to you.

If you choose to make a binding nomination, the Trustee will pay your benefit to the person(s) you have nominated as long as your nomination:

- is valid
- has been made in the prescribed manner
- is received by the Trustee before your death
- has not expired, and the nominated person(s) is a dependant (as defined in the governing rules of the Fund and by superannuation law) or your legal personal representative.

To be valid, a nomination must:

- nominate one or more dependants and/or your legal personal representative and provide the percentage of the death benefit for each nominee to receive in the event of your death. The proportional entitlements must total 100 per cent
- be fully completed by you and signed in the presence of your witnesses
- be witnessed by two people who are aged 18 years or over and neither of whom is nominated on the form. Each witness must also sign and date the Witness Declaration section, and
- date the form as at the date of completion.

However, the Trustee is not required to pay the Death benefit in accordance with the binding nomination if:

- the Trustee is subject to a court order and doing so would breach the court order, or
- the Trustee is aware that the giving of, or failure to amend or revoke, a nomination was a breach of a court order.

Your nomination expires after three years. We strongly recommend that you review your nomination regularly and update your nomination as your personal circumstances change, eg divorce, birth of children, death of a partner or nominee. It is your responsibility to keep your nomination up to date and review it every three years. You may update your nomination by completing a new Death benefit beneficiary nomination form at any time.

The binding nomination will normally become invalid when one of the following happens:

- Three years have lapsed from the date the Binding nomination form was signed and you have not reconfirmed the nomination prior to the expiry date.
- Any nominated beneficiary dies before you die.
- Any nominated beneficiary (other than the legal personal representative) is not a dependant at the time of death.
- You get divorced or your de facto relationship ends after signing the Binding nomination form.

If the binding nomination is no longer valid, then the Trustee will automatically treat the binding nomination as a non-binding nomination.

If you wish to revoke a binding death benefit nomination, you must complete, sign and date the revocation in the presence of two witnesses who are aged 18 years or over and neither of whom were nominated on the form. Each witness must also sign and date the witness declaration section.

## Section 5 How will the benefit be paid upon death?

If you nominate your legal personal representative as your beneficiary, please make sure that you have a valid and up-to-date will. If you die without a will, the Trustee may have to pay the benefit to a court-appointed administrator who will pay the benefit in accordance with a statutory formula that varies from state to state.

Payment to a legal personal representative may also take longer to effect as it is necessary for a Grant of Probate or Letters of Administration to be issued before the benefit can be paid.

You should note that by directing payment to your legal personal representative you may be exposing the benefit to claims by creditors of your estate.

Your financial adviser can assist you in assessing your estate planning.

In the event that your nomination is not valid or has expired, your death benefit will be paid at the discretion of the Trustee to one or more of your dependants and/or legal personal representative.

### Who qualifies as my dependant?

The Trustee must ensure that the benefits are paid to your legal personal representative or 'dependants' as defined in the Trust Deed and applicable law. A dependant is defined as:

- the spouse
- each child (including an adopted child, step-child or an ex-nuptial child) of a member, or the child of a member's spouse,
- any person who is, or was at the relevant time, in the opinion of the Trustee in an interdependency relationship with the member (generally a close personal relationship between two people who live together, where one or both provides the other with financial support, domestic support and personal care),
- any person who in the opinion of the Trustee is, or was at the relevant time, dependent in whole or in part upon the member, and
- any other person treated for the purposes of superannuation law as a dependant.

The beneficiary of your death benefit can ask to receive the payment as a lump sum.

### Who is a spouse?

A spouse is a person who is legally married to the member, or a person who, although not legally married to the member lives (or lived at the time of the member's death) with the member on a genuine domestic basis in a relationship as a couple and includes a same-sex partner.

### Trustee discretion

Trustee discretion means the trustee is not bound by the non-binding nominations you make. However, your nominations, as well as other factors, will be taken into consideration. For example, your circumstances may have changed since you made your nomination, perhaps due to marriage or the arrival of children. Your death benefit is usually paid to your dependants. If there are no dependants, the benefit may be paid to your legal personal representative for distribution as per your will. If no legal personal representative is appointed, and you have no dependant(s), then the Trustee may pay your benefit to another appropriate individual at its discretion.

You should be aware that any directions that you may have included in your last will for the payment of your benefit under the Fund cannot legally bind the Trustee. However, the Trustee will take your expressed wishes into account. It is therefore advisable to update your will and your non-binding nomination whenever your circumstances change.

It is essential that you keep the Trustee fully informed of your current preferences for the payment of your benefits in the event of your death.

## Section 5 How will the benefit be paid upon death?

### Reversionary pension (income streams only)

#### As an automatic reversionary pension

You may elect at the commencement of your income stream to have the balance of your member account paid as a reversionary pension to your death benefit dependant as defined by tax law.\*

If you have elected to receive an income stream, your death benefit dependant can elect to convert the reversionary pension to a lump sum.

#### As a discretionary pension

On your death, subject to the Trustee's discretion, your death benefit dependant as defined by tax law,\* can nominate to receive either a lump sum or an income stream. A new income stream account will be established in the name of your death benefit dependant and the income stream payments will then be recalculated based on their age. This nomination is not binding on the Trustee and you may change your nomination at any time.

### Benefit payment

#### Invested assets upon death

Upon receipt of written notification of the member's death, all assets will remain invested as per the investment instruction of the deceased member until such time as alternative instructions are received by a valid beneficiary/ies or legal personal representative. This amount and any insurance benefits (if applicable) will then be made available to the Trustee for distribution to beneficiaries.

#### Investment strategies, adviser remuneration and other facilities

Any existing standing investment strategies, regular contributions plans, pension payments, adviser remuneration, adviser account maintenance facility and member online authorities may also be cancelled upon receipt of notification of the member's death.

\* Please note that your death benefit dependant must also be a dependant under Superannuation law.

## Section 6 What about taxation?

### Taxation information for superannuation

#### Contributions tax

All concessional contributions (including salary sacrifice and SG contributions and any personal contributions for which you claim a tax deduction) paid to Synergy Retirement Service – Superannuation are currently taxed at a rate of 15 per cent.

This tax may be reduced by deductions for items such as life insurance premiums and fees. This is subject to the provision of your tax file number (TFN).

Tax will be deducted from your account quarterly.

#### Contribution limits

All contributions made into a superannuation fund receive certain tax concessions. There are limits (referred to as 'contributions caps') on the number of contributions you can make in a financial year that qualify for these concessions. Contribution caps apply to concessional and non-concessional contributions made in a financial year.

#### Concessional contributions caps

A cap of \$25,000 per person per year applies to concessional contributions. The cap is indexed. Excess concessional contributions will be taxed at the top marginal rate, which includes the 15 per cent contributions tax. The excess concessional contributions tax is imposed on the individual, who may pay the liability themselves or withdraw some or all of the liability from their superannuation fund.

If you incur this additional tax, you may elect to have it paid by way of a deduction from your account with the Fund. To do so you will need to complete a release authority (which will be provided to you by the ATO at the relevant time) and forward it to the Fund accordingly.

The concessional contributions cap for individuals aged 50 is \$25,000 (indexed). It has been proposed to increase this amount to \$50,000 for people aged 50 and over with low balances from 2014.

#### Non-concessional contributions caps

An annual cap of \$150,000 per person applies to non-concessional contributions. Members under age 65 on 1 July can make non-concessional contributions up to \$450,000 averaged over three years. Members aged 65 or over on 1 July can only make non-concessional contributions up to \$150,000 in that year and each subsequent year to age 75. The non-concessional contributions cap will be calculated as six times the level of the (indexed) concessional contributions cap.

Non-concessional contributions in excess of this cap will be taxed at the top marginal rate. This tax is imposed on the individual, who must withdraw from their superannuation fund an amount equal to their tax liability. To do so, you will need to complete a release authority (which will be provided to you by the ATO at the relevant time) and forward it to the Fund accordingly.

The Trustee is prevented by law from accepting a non-concessional contribution that is greater than three times the non-concessional cap. The Trustee is required by law to refund the excess contribution and is entitled to deduct an administration fee and any transaction costs and premiums that have been paid in relation to cover for a specific period.

For more information on the contribution caps contact your financial adviser.

### No-TFN contributions rules

#### Concessional contributions

You do not commit an offence if you choose not to provide the trustee with your TFN, and you are not otherwise required by law to provide your TFN. However, if you do fail to do so, a no-TFN contributions tax rate of 31.5 per cent applies to your concessional contributions. It applies in addition to the excess contributions tax (as well as the standard contributions tax at 15 per cent) and there is no reduction to the taxable amount for insurance premiums that you might pay.

However, the Fund may be entitled to a tax offset for tax it has paid on no-TFN contributions income if the member quotes their TFN to the Trustee within four financial years of the tax on the no-TFN contributions income being payable.

#### Non-concessional contributions

The Trustee is required by law to refund any non-concessional contributions received if a TFN has not been provided within 30 days. The Trustee is entitled to deduct an administration fee and any transaction costs and premiums that have been paid in relation to insurance cover for a specific period.

### Tax deductions

Members who are eligible to claim a tax deduction for their personal contributions may do so up to and including the age of 74.

If your employer contributes for you, or is obliged to do so under an award or the Superannuation Guarantee legislation (whether or not the employer fulfils those obligations), you will generally not be eligible for a tax deduction for any personal contributions you make.

If you are self-employed or substantially self-employed, ie not receiving employer support (less than 10 per cent of your assessable income is from employment where an employer pays superannuation for you), you may be eligible to claim a tax deduction for contributions you make to superannuation. Limits apply on contributions made by you or on your behalf. For more information, contact your financial adviser or visit [www.ato.gov.au](http://www.ato.gov.au).

## Section 6 What about taxation?

### Tax on investment earnings

Earnings on your superannuation investment are taxed at a rate generally lower than other forms of savings. The rate is 15 per cent. This tax may be reduced by deductions for items such as life insurance premiums, franking credits and tax offsets.

### Taxation information for income stream accounts

#### Tax payable when starting an income stream

If your non-concessional contributions from your superannuation account have exceeded the non-concessional cap, you may incur an excess non-concessional contributions tax liability. In this case you will be provided with a release authority from the ATO to withdraw an amount equal to your tax liability from your fund.

#### Tax on income stream payments

##### Aged under 60

Your income stream payments can have two components – the taxable component and the tax-free component. The taxable component forms part of your assessable income and is taxed at your marginal tax rate (plus the Medicare levy if applicable).

However, you may be entitled to a tax offset on your income payments relating to the taxable component from your Fund of up to 15 per cent of the taxable amount if you are under the age of 60 but have reached your preservation age, or if you are under 55 and are receiving a pension as the result of a permanent incapacity payment.

Your financial adviser can help you calculate the likely tax payable in your circumstances.

##### Aged 60 and over

For pensioners aged 60 or over, lump-sum benefits and income stream payments are tax free.

#### Tax on investment earnings

Earnings on your Synergy Retirement Service – Income Stream investment are currently exempt from tax if you are aged 60 and over.

### General taxation information

#### Lump-sum benefits

The way any lump-sum benefit is taxed depends on your age and the make-up of your lump-sum benefit (ie tax free and taxable components).

For members under age 60, the taxable component is determined by factors such as the source of the contributions and whether a tax deduction has been claimed for the contribution. Usually, the taxable component consists of contributions made to the Fund

by employers and by members (to the extent a deduction has been claimed for those contributions), together with any earnings on those contributions. If tax is payable on your benefit, the Trustee is required to withhold tax from your benefit. You will be provided with a PAYG payment summary – superannuation lump sum to include in your next tax return.

For members aged 60 and over, superannuation benefits from a taxed source, whether in the form of a superannuation lump-sum benefit or income stream payments, are tax free and are not required to be declared on your tax return.

The actual tax rates and the levels at which they apply are determined by the ATO. As you may not be making a withdrawal for a number of years this material is provided for general information only and you should check with your financial adviser, the Trustee or the ATO at the time you make a withdrawal. Further information on current rates and thresholds is available from [www.ato.gov.au](http://www.ato.gov.au).

The following is a summary of the components and how they are taxed as the law currently stands.

Component	Taxation
Taxable component – taxed element	If you are under 55, all of this amount is subject to tax at 21.5% (including Medicare levy). If you are between 55 and 59, an amount up to a threshold will be tax free and any amount over this will be subject to tax at 16.5% (including Medicare levy). If you are aged 60 years or over, any superannuation benefits paid to you are tax free.
Taxable component – untaxed element	Any taxable component – untaxed element rolled over to this fund will be subject to contributions tax upon receipt and will then convert to a taxable component – taxed element. Other tax rates apply if a taxable component – untaxed element is paid to you in the form of a lump sum or a pension. As this Fund is a taxed fund, these tax rates will not be relevant to you when your superannuation benefits are paid to you or your dependants.
Tax free component	Untaxed

## Section 6 What about taxation?

### Withdrawals

The following is a summary of how withdrawals from superannuation are taxed depending on your age at the time of payment.

Age	Superannuation lump sum	Superannuation income stream
60 years and above	Tax free (not assessable, not exempt income)	Tax free (not assessable, not exempt income)
Preservation age to 59 years	0% up to low rate threshold (indexed) Any amount above low rate threshold is subject to 16.5% tax (including Medicare levy)	Marginal tax rates and 16.5% tax offset may apply (including Medicare levy)
Below preservation age	Taxable component is subject to 21.5% tax (including Medicare levy)	Marginal tax rates (no tax offset) (offset) <sup>1</sup>

<sup>1</sup> A disability superannuation income stream also receives a 15 per cent tax offset.

### Tax on death benefits

In the event of your death, a pension or income stream paid to your dependants may also be entitled to tax concessions depending on a number of factors including their age and your age at the date of your death. For more information speak to your financial adviser.

### Anti-detriment payment

Under the Income Tax Assessment Act, following the death of a member of a complying superannuation fund, the benefit payable may be increased to take account of the tax paid in respect of the contributions credited to the member's account. In effect the contributions tax is refunded by the ATO to the deceased member's dependant spouse, former spouse\* or child. Anti-detriment payments can also be made to the estate of the deceased member but only if the beneficiary of the estate is one of the persons aforementioned. It should be noted that financial and interdependent beneficiaries are not entitled to the benefits of the anti-detriment payment.

### Tax refunds

Tax payments may be deducted from your account throughout the year. You may also be eligible for a tax refund. Tax refunds will only be reimbursed if you remain a member at the time of distribution.

\* Under SIS laws, a former spouse must also be a dependant (such as a financial dependant) in order to be eligible to receive a death benefit from the fund.

## Section 7 What else do I need to know

### Restricted and illiquid investment options

Restricted investments typically have restrictions on when funds may be invested or redeemed and when unit pricing may be performed. The application and withdrawal of funds to and from restricted investments will generally take longer than other investments that are priced daily. This can cause delays in the processing of your requests, as well as delays in the processing of other transactions such as fees. Restricted investments currently offered are identified in the Synergy Retirement Service Investment Authority (Part 4 of the PDS).

You may also experience delays if you wish to withdraw funds from an illiquid fund as you will only be able to withdraw if the underlying fund manager makes an offer of withdrawal. Further, you may only receive part of the amount you requested and there is no obligation for the underlying fund manager to make such an offer.

In the event that your investments become illiquid, the value of your available balance may fall into negative due to the inability to sell down the assets of your illiquid funds to pay the costs incurred on your account, such as fees and insurance.

To try and protect the value of your available balance from falling further into negative we may invoke certain restrictions on your account. These restrictions include, but are not limited to stopping certain fees, ceasing withdrawals and cancelling your insurance.

We also reserve the right to exclude restricted or illiquid investments from any regularly processed transactions where it is likely their inclusion would cause unreasonable delays. Further, we reserve the right to split the processing of investor transaction requests into more than one part if the inclusion of restricted or illiquid investments would unreasonably delay the processing of the transaction request.

If you withdraw from an illiquid fund, proceeds received from the withdrawal offers will be credited to the default investment option and your withdrawal request will continue to be processed once your balance in the default investment option exceeds \$200. An up-to-date list of any illiquid investments can be obtained at [www.scml.com.au](http://www.scml.com.au).

### Default investment option

The underlying investment for the default investment option is currently Bank West Business Telenet Saver Account. The investment management fee for the default option is currently 0 per cent per annum.

You may obtain a copy of the underlying PDS for the default investment option, free of charge, from [www.scml.com.au](http://www.scml.com.au), your financial adviser or by calling the Client Service Centre on 1800 245 636.

### Unit prices

Some investment options known as restricted investments may have restrictions on when unit prices are calculated and when funds may be invested and redeemed.

Generally, the next available unit price for a restricted investment is calculated on a monthly or quarterly basis, therefore purchases of units, switches and redemptions may be delayed.

Please refer to the underlying PDS to determine how frequently the underlying unit prices for your selected investment options are calculated and whether restrictions apply to purchases and redemptions of units. We reserve the right to temporarily place unit pricing on hold in certain circumstances. For example, unit pricing may be suspended where there is significant market or business disruption, where investment pools are affected by significant member investments or redemptions or where unit prices for underlying investment options are unavailable. If investment pool unit pricing is placed on hold for a period of time, all members placing investment, redemption or switch transactions will have their transactions processed at the first investment pool unit price calculated following the resumption of normal unit pricing.

The value of the units you hold in the Fund is based on the value of the investment pool unit price, which is calculated by obtaining the investment pool asset value less any investment management fees, charges and taxes divided by the total units on issue for that investment pool.

### Eligible rollover fund

An Eligible Rollover Fund (ERF) is a special type of superannuation fund that is able to accept benefits that are transferred from another superannuation fund without a member's consent. Typically, an ERF has a conservative investment strategy, and the administration fees charged by the fund cannot exceed the fund's earnings.

There are a number of circumstances in which your benefit in Synergy Retirement Service – Superannuation might be transferred to an ERF. These include where no instructions have been received in regard to preserved benefits, or where a member account has been classified as 'lost'. A member is generally classified as a lost member if they have been inactive, that is a contribution or rollover has not been received in the last five years or two pieces of mail sent to the member's last known address are returned.

The ERF used by the Fund is:

AMP Life Limited – AMP ERF  
PO Box 300  
PARRAMATTA NSW 2124

Telephone: 131 267

Fax: 1300 301 267

## Section 7 What else do I need to know

### Family law

#### Splitting superannuation interests

The Family Law Act allows for the splitting of your superannuation by superannuation agreement or by court order with your spouse if you are permanently separated or divorced.

#### Flagged accounts

In the event of a member's account being subject to a flagging order or agreement under family law legislation. Withdrawals cannot be made from this member account (with some exemptions, such as financial hardship). Please note, your member account is not frozen, and will continue to operate as a normal account, including being subject to investment rises and falls. A flag can only be removed by court order, or on agreement of both parties.

As these changes are complex, we recommend that you seek professional legal advice as to the consequences of separation and divorce on your superannuation interests.

#### Information requests

The law allows for information requests about your member account from an 'eligible person'. The legislation specifies an eligible person as you, your spouse, or another person who is intending to enter into a superannuation agreement with you. An eligible person must provide us with certain details, including their identity and relationship to you, before this information can be released.

The information we will provide will be about the Fund and your member account, but cannot include your address or contact details.

We are legally bound to provide this information on request by an eligible person and under the law we cannot advise you that we have received a request.

#### Maximum fees and charges

Trust deed maximum fees and charges	
Contribution fee	6.15%
<b>Management costs</b>	
Administration fee	2.18% pa
Expense recovery fee	0.51% pa
Member fee	\$256 pa
<b>Service fees</b>	
Switching fee	\$6.15 per transaction
Adviser service fee (variable)	1.54% pa
Adviser service fee (fixed)	\$30,750 pa

Please note that fees or charges to members may be comprised of a combination of the above. The trust deed also allows us to index certain fees annually. We will provide you with at least 30 days notice of any increase in the fees or charges. The trust deed allows the Trustee to alter any of the fees or charges up to the maximums (inclusive of GST) listed in this table.

The investment management fees for each investment option listed in the Synergy Retirement Service Investment Authority (Part 4 of the PDS) may be varied at any time by an investment manager, without notice to you. You may review the current investment fees applying to your account at any time by contacting your financial adviser or our Client Service Centre to obtain an up-to-date copy of the underlying PDS.

#### The Trust Deed

The Synergy Retirement Service is part of the Fund and is governed by the Trust Deed. The Trustee must operate the Fund in accordance with the provisions of the Trust Deed and the law relating to superannuation.

Member's entitlements are determined by the Trust Deed and the laws relating to superannuation. The investments of the Fund are held by the Trustee on behalf of all the Fund's members and no member has an entitlement to any individual asset within the Fund. In administering the Fund, the Trustee is obliged to act in the interests of the members' of the Fund as a whole. While it has the power to amend the provisions of the Trust Deed, the Trustee cannot do so in a way that is adverse to members' accrued benefits without their consent. The Trust Deed has special provisions relating to how and when the Fund can be wound up and how members are to be treated if this occurs.

A copy of the Trust Deed is available to members upon written request to the Trustee:

N.M. Superannuation Proprietary Limited  
GPO Box 1385M  
MELBOURNE VIC 3001

#### Privacy disclosure

The Synergy Retirement Service will collect personal information from you in order to process your application, administer your investment and provide you with investment related services. To do that, we usually disclose your personal information to our agents, contractors or third party service providers ('service providers') to whom we outsource services such as mailing functions and accounting.

If you do not provide us with your personal information, your application may not be able to be processed.

## Section 7 What else do I need to know

Your personal information may be used to tell you about other products and services offered by us or our service providers. We may also disclose your personal information to your financial adviser and the dealer group that he/she belongs to, and their service providers, which may change from time to time. Please contact a client service representative at the Client Service Centre on 1800 245 636 if you do not consent to us using or disclosing your personal information in these ways. If you invest in the Synergy Retirement Service, you will be taken to have consented to these uses and disclosures, unless you contact us.

We take reasonable steps such as employing username/password authentication methods, firewall and access rules, strict change management and backup and access control procedures to ensure that your personal information is stored securely and is protected from unauthorised access, modification or disclosure.

In most cases, you can gain access to the personal information that we hold about you by contacting the Client Service Centre on 1800 245 636 and requesting access to your personal information. If we are not able to provide you with access to your personal information because, for example, we are prevented from doing so by law, we will provide you with an explanation for the refusal to grant you access to your personal information.

We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist with this, please contact the Client Service Centre on 1800 245 636 if there is a change to any of the details you have provided. If you have concerns about the completeness or accuracy of the information we have about you, the Client Service Centre will take steps to correct it.

### Payment of small and insoluble lost member accounts to the ATO

From 1 July 2010 we will be required to transfer any lost accounts with balances of less than \$200 (small accounts) and any lost accounts which have been inactive for a period of five years and have insufficient records to identify the owner of the account (insoluble accounts) to the ATO. You will be able to reclaim your money from the ATO at any time. Further information on how to lodge a claim is available from [www.ato.gov.au](http://www.ato.gov.au).

### Supply of member information to the ATO

Lost superannuation member accounts and unclaimed superannuation contributions are currently registered with the ATO. The Trustee may provide superannuation member information to the ATO, including account details and TFNs, for the purposes of searching for lost superannuation accounts via the ATO's SuperMatch system.

The ATO will check the information supplied by us against its lost members register, superannuation guarantee and super holding account reserve records in order to identify benefits belonging to members. If funds are identified, the ATO will notify you in writing. This service is provided free of charge and will assist you to better manage your super for your retirement.

### Deferred fee arrangements

For investors that previously entered into a deferred fee arrangement for contributions or rollovers, in the event that you transfer your account you may choose to continue to have your deferred contribution liability deducted monthly at the rate of 0.10 per cent per month of the all-time amounts deposited into your account, including those for which contribution fees were not deferred. For more information on the deferred contribution fee arrangements please refer to the PDS issued when you first set up your Synergy Retirement Service account.

### Relationship between the Trustee and some companies in which the Fund will invest

The Trustee invests in a wide range of managed investment schemes (investment funds). National Mutual Funds Management Limited (NMF) and ipac asset management limited (ipac) are responsible entities for some of these investment funds. NMF and ipac are part of the AMP Group. For a full list of investment options, refer to the Synergy Retirement Service Investment Authority (Part 4 of the PDS).

The Trustee advises that, under the law, where the Trustee invests money of the Fund, it must deal with the other party to the transaction at arm's length or on arm's length terms.

### Relationship between the Trustee and some service providers

The Trustee has appointed NMMT Limited ABN 42 058 835 573, AFS Licence No. 234653 as the Custodian to hold all assets in the Fund. The Trustee reserves the right to change the Custodian without prior notification to members.

The Trustee does not deal with service providers to the Fund who are associates of the Trustee more favourably than it would deal with any other independent service providers.

### Synergy Retirement Service Superannuation Direct Debit Request Service Agreement

This Direct Debit Request (DDR) Service Agreement details the terms and conditions governing the debit arrangements between you and Synergy Capital Management Limited (Synergy) as set out in the Direct Debit Request.

Please direct all enquiries about your direct debit to us.

## Section 7 What else do I need to know

### 1 Our commitment to you

- a) We will give you at least 14 days notice in writing if there are changes to the terms of the drawing arrangements.
- b) We will keep information relating to your nominated financial institution account confidential, except where required for the purposes of conducting direct debits with your financial institution. You also consent to us using or disclosing your account information to investigate with your, or our financial institution, any possible incorrect debits.
- c) Where the due date is not a business day, we will draw from your nominated financial institution account on the next business day. If you are uncertain about when the debit will be processed to your account, you should contact your financial institution.
- d) Be aware that direct debiting through the bulk electronic clearing system is not available on all accounts. If you are uncertain, check with your financial institution before completing the Direct Debit Request form.

### 2 Your commitment to us

It is your responsibility to:

- ensure that you have provided us with a correct account number. If uncertain please check against a recent statement or contact your financial institution;
- ensure your nominated account can accept direct debits;
- ensure there are sufficient clear funds available in the nominated account to meet each drawing on the due date;
- advise us if the nominated account is transferred or closed, or the account details change;
- arrange a suitable payment method if we cancels the drawing arrangements;
- ensure that all account holders on the nominated financial institution account sign the Direct Debit Request form in the application form accompanying this PDS.

### 3 Your rights

- a) Subject to the terms and conditions of your Synergy Retirement Service account, you may alter the drawing arrangements. Such advice should be received by us at least seven working days before the draw date for any of the following:
  - stopping an individual drawing;
  - deferring a drawing;
  - suspending future drawings;
  - altering the Direct Debit Request form;
  - cancelling the drawings completely.
- b) Where you consider a drawing has been initiated incorrectly, you can lodge a direct debit claim through your financial institution or you can contact the Client Service Centre on 1800 550 188. If you are not happy with our response you can address a formal complaint with the envelope marked 'Notice of complaint' to:  
  
The Enquiries and Complaints Officer  
Synergy Capital Management Limited  
GPO Box 852  
HOBART TAS 7001.

### 4 Other information

- a) The details of your drawing arrangements are contained in the Direct Debit Request form.
- b) We reserves the right to ask that instructions from a customer to stop or in any way alter the drawing details is in a written or electronic form.
- c) We reserves the right to cancel drawing arrangements if three consecutive drawings are dishonoured by your financial institution, and to arrange with you an alternate payment method.
- d) Your drawing arrangements are also governed by the terms and conditions of your Synergy Retirement Service account.
- e) Please refer to pages 18 to 19 to review our privacy statement that encompasses this agreement.

[www.scml.com.au](http://www.scml.com.au)



**SYNERGY**  
Capital Management Ltd

GPO Box 852 Hobart 7001

08964 1212