

# Generations Personal Super and Personal Pension /

This document provides additional information to the Generations Personal Super and Personal Pension Product Disclosure Statement (PDS). A printed copy of this document can be obtained free of charge by contacting Summit Client Service on 1800 622 772.

## Contents

- 3 **Section 1** What contributions can be made?
- 5 **Section 2** When can I access my super?
- 6 **Section 3** How are my pension payments calculated?
- 7 **Section 4** What are my investment options?
- 8 **Section 5** What risks apply to investing?
- 9 **Section 6** How will the benefit be paid upon death?
- 11 **Section 7** What about taxation?
- 13 **Section 8** What else do I need to know?



## Important information

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 (with or without the assistance of an adviser) whether this information is appropriate to your needs, objectives and circumstances. 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 your adviser or by contacting Summit Client Service on 1800 622 772. Applications for investment in AXA Australia products 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.

## Throughout this booklet

References to:	To be read as:
Member or you	A member of Generations Personal Super and Personal Pension, including any person you authorise to act on your behalf.
Portfolio	In respect of a member, the value of the underlying investments (including cash) held by the Trustee on the member's behalf.
Financial adviser	A financial adviser holding an Australian Financial Services (AFS) Licence or acting as an authorised representative of a licensee.
AXA, our, we or us	AXA Asia Pacific Holdings Ltd ABN 78 069 123 011 and its Australian subsidiary companies, including The National Mutual Life Association of Australasia Ltd ABN 72 004 020 437, AFS Licence No. 234649, NMMT Limited ABN 42 058 835 573, AFS Licence No. 234653 and N.M. Superannuation Proprietary Limited (NM Super) ABN 31 008 428 322, AFS Licence No. 234654.
The Fund	Wealth Personal Superannuation and Pension Fund ABN 92 381 911 598 of which Generations Personal Super and Personal Pension are a part.
Summit	The portfolio administration service operated by AXA.

# What contributions can be made? /

## Contributing to Generations Personal Super

Contributions, rollovers and transfers can only be accepted for a member of Generations Personal Super. In addition, contributions, rollovers and transfers must be made in accordance with the rules set out below.

The following table illustrates the type of contributions you can make to your Generations Personal Super 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>▪ Personal contributions</li> <li>▪ Spouse contributions</li> <li>▪ Government co-contributions</li> </ul>
Age 65 to 69	<ul style="list-style-type: none"> <li>▪ Mandated employer contributions (SG and award)</li> <li>▪ Employer voluntary contributions once you have been gainfully employed for at least 40 hours in a period of no more than 30 consecutive days in the financial year</li> <li>▪ Personal contributions (including spouse contributions) once you have been gainfully employed for at least 40 hours in a period of no more than 30 consecutive days in the financial year</li> <li>▪ Government co-contributions</li> </ul>
Age 70 to 74	<ul style="list-style-type: none"> <li>▪ Mandated employer contributions (award)</li> <li>▪ Employer voluntary contributions once you have been gainfully employed for at least 40 hours in a period of no more than 30 consecutive days in the financial year</li> <li>▪ Personal contributions (excluding spouse contributions) once you have been gainfully employed for at least 40 hours in a period of no more than 30 consecutive days in the financial year</li> <li>▪ Government co-contributions (up to and including age 70)</li> </ul>
Age 75+	<ul style="list-style-type: none"> <li>▪ Mandated employer contributions only (award)</li> </ul>

For more information contact your financial adviser or visit [www.ato.gov.au](http://www.ato.gov.au).

## Concessional contributions

Concessional contributions include:

- employer contributions (such as SG, award and salary sacrifice contributions)
- personal deductible contributions for which a tax deduction has been claimed
- certain directed termination payments.

Subject to very limited exceptions, 'employment termination payments' will not be able to be rolled into super funds. Speak to your financial adviser for more information.

SG/Award contributions	SG 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 set at 9% 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.
Directed termination payments (DTP)	Employment termination payments arising from an entitlement outlined in an employment contract that was in place before 10 May 2006 and is contributed into an employee's super account before 1 July 2012.

For further details on the concessional contribution caps, refer to section 7 'What about taxation?'.

## Non-concessional contributions

Non-concessional contributions are generally made to a super fund 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 the Fund. If you make personal contributions, you may qualify for the government's co-contribution scheme (see the next page 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 the Fund to make spouse contributions.

For further details on non-concessional contribution caps, refer to section 7 'What about taxation?'.

## Section 1 What contributions can be made?

### Other contributions

Other contributions the Fund may accept include:

Government co-contributions	Payments made by the government to super accounts of certain low-income earners who make non-concessional personal contributions and who are either employees or who generate at least 10% of their total income for the year from work as an employee.
Rollovers from other super funds	If you are entitled to a benefit from another super fund, deferred annuity, Retirement Savings Account (RSA) or approved deposit fund, you may choose to roll over the amount and consolidate your super benefits under this Fund. This may also be the simplest and most cost-efficient approach to keep track of your super benefits.
Transfers from overseas funds	The Fund is eligible to accept overseas transfers. For more details please contact your financial adviser.
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.

### Superannuation contributions splitting

As a member of the Fund, you may elect to split contributions with your spouse.

What contributions can be split?

- 85 per cent of employer contributions (including SG and salary sacrifice), and
- personal concessional contributions up to the concessional contributions cap for that year.

For further information on contribution splitting or to obtain a contributions splitting application form, contact your financial adviser or phone Summit Client Service on 1800 622 772.

## Contributing to Generations Personal Pension

### Non-concessional and spouse contributions

If you are still eligible to contribute to super you may be able to use some of your ordinary savings to make a non-tax deductible contribution prior to commencing your Generations Personal Pension account. These funds will be consolidated with any rollovers in a Generations Personal Super account prior to commencing this pension.

Generally you are eligible to make a personal 'non-concessional' contribution if you are:

- under 65
- aged 65 to under 75 and have worked for at least 40 hours in a period of 30 consecutive days in the financial year.

Alternatively your spouse could make a non-concessional contribution on your behalf provided you are under 65, or between 65 and 70 and have been gainfully employed for at least 40 hours in a period of 30 consecutive days in the financial year.

### Pensions commencing with multiple rollovers

A pension can be commenced with more than one rollover, however each rollover has to be received prior to the pension commencing. It is not possible to contribute a further rollover or any other amount to a pension that has already commenced.

If you are purchasing a pension with multiple rollovers, each rollover, non-concessional or spouse contribution received will be deposited in a Generations Personal Super account and invested in accordance with your investment instructions. When all funds have been received, they will be combined and used to commence your pension, including any investment earnings received in the interim. Please note any earnings credited to your Generations Personal Super account before your pension commences will be subject to earnings tax of 15 per cent.

If you are commencing your pension with more than one rollover, please indicate this on the Application form. Please note that if the last rollover is not received within 90 days of the first rollover, the pension will commence with the total receipted rollovers at that time. If any rollovers are received after 90 days, we will contact you to confirm your instructions.

## Section 2

# When can I access my super? /

Your super benefit is the total of all contributions made, benefits rolled over or transferred in, plus investment earnings, insurance proceeds (if any), less fees, taxes, insurance premiums (if any) and other charges. Most super 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
- when you permanently retire on, or after, attaining the preservation age applicable to you (see table below)
- if you suffer permanent incapacity as defined by the Superannuation Industry (Supervision) Regulations 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 Medicare 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
- permanent departure from Australia by eligible temporary residents. This does not apply to New Zealand residents, or
- as a non-commutable income stream after attaining your preservation age prior to retirement.

All new super contributions and any investment earnings are preserved.

<b>Date of birth</b>	<b>Preservation age</b>
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 a benefit you roll over to Generations Personal Super may be restricted non-preserved or unrestricted non-preserved. The benefits you roll over will retain this status. Unrestricted non-preserved benefits can be withdrawn at any time. Restricted non-preserved benefits 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.

# How are my pension payments calculated?

## Allocated pensions

Allocated pensions require payments of a minimum amount to be made at least annually. There will be no restrictions on how much you will be able to withdraw above the minimum level other than your maximum account balance.

The minimum amount of income that must be paid in a financial year is calculated by multiplying the withdrawal value of the account balance by the applicable percentage factor prescribed by government legislation.

## 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 for the 2011/12 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 per cent paid in the 2011/12 financial year.

The following table sets out the minimum annual income payments.

### Minimum annual income table

Age	% of account balance	Temporary % of account balance for 2011/12 financial year
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

## Non-commutable allocated pensions (NCAP)

If your pension is an NCAP, your funds may consist of three preservation components. Income payments will be made from your preservation components in the following order (if applicable):

- unrestricted non-preserved
- restricted non-preserved
- preserved.

The table above sets out the minimum annual income payments.

A maximum annual payment applies to NCAPs. In the first year of the NCAP the maximum is 10 per cent of your initial investment. In subsequent years, the maximum annual income payment is 10 per cent of your account balance as at 1 July.

In the first year of an NCAP or an allocated pension, the amount you choose to receive as income will be distributed pro rata across the remaining days in the financial year, unless you instruct us otherwise.

## Changing your pension

On 1 July each year we are required to review and recalculate your minimum pension level based on your age and investment portfolio balance. We will advise you of your new minimum pension level shortly after the review is completed. If you do not ask us to alter your annual pension amount, then your payment will be the same as for the previous financial year, unless:

- you have asked us to automatically increase the amount each year, either by the inflation rate or by a nominated percentage, or
- we have to adjust your payment to remain within your minimum level applicable for that year.

## Pension withdrawals

If you make a full withdrawal from Generations Personal Pension, we are legally required to first pay your minimum pension amount for the relevant portion of that financial year. If you have already received more than this amount, no additional pension payment is required.

An allocated pension allows you to make lump-sum withdrawals in addition to your regular pension payments. These payments, called commutations, may be taxed differently to pension payments. If you select an NCAP, lump-sum withdrawals are not permitted unless a condition of release is met; however, you may roll back to a super fund.

**For withdrawals, we will initiate instructions to the investment managers generally within two business days of receiving all your requirements. On receipt of funds from the investment manager we will then remit withdrawal proceeds by close of business the following day. We will endeavour to complete withdrawals within 7–10 business days, however timeframes may vary depending on the time taken by external investment managers to complete processing of sale transactions.**

## Section 4

# What are my investment options? /

Sectors or asset classes are categories of investment. There are five major sectors:

- Cash
- Fixed interest – Australian and International
- Property
- Equities (shares) – Australian and International
- Alternatives.

Each sector differs in the level of returns you can expect and the degree of risk that you are taking.

For example, the equities sector is subject to more risk than the cash sector due to the volatility of the share market over the short term. Over the longer term however, equities have generally achieved higher returns for investors than cash.

### **Multi-manager diversified options**

The multi-manager diversified options use a range of complementary investment managers across a number of sectors. These options provide you with diversification across sectors, investment styles and investment managers. Diversification can help to reduce investment risk with the aim of improving the consistency of returns.

### **Multi-manager sector options**

The multi-manager sector options use a range of complementary investment managers who invest in a single sector. This provides you with diversification across investment styles and investment managers within a single sector. Diversification can help to reduce investment style bias and minimise investment risk with the aim of improving the consistency of returns.

### **Single manager options**

The single manager options allow you and your financial adviser to tailor your own investment portfolio or to add further diversity to a multi-manager strategy.

# What risks apply to investing? /

Investment in super or a pension is subject to legislative requirements. Changes to legislation are made frequently and may affect who can invest, what tax is to be paid and when and how money can be withdrawn. Super and pension funds are governed by a Trust Deed. The Trustee is able to amend the rules in the Fund's Trust Deed that may affect how the Fund operates, although the Trustee is prevented by law and the Trust Deed from amending the Trust Deed in a manner that reduces members' entitlements without their consent. Other risks relate to increases in fees, a change in investment managers and the performance of investment managers. The Trustee uses adherence to the law and the Fund's Trust Deed and ongoing monitoring of the performance of investment managers to reduce these risks.

The Trustee does not guarantee the repayment of capital, payment of income or the performance of the investment options. Other risks related to investing generally are described in the Generations Investment Options PDS.

## Risk and return

Your investment strategy will be highly dependent on your attitude towards risk. All investments carry a risk component. Risk in an investment context refers to the possibility that the investment will not return its original capital or expected income and that the level of return will be volatile over any given time period. This risk can include market risk, company risk, currency risk, and interest rate and inflation risk. Investments with a low-risk profile will usually provide lower, though more consistent, returns than those with a higher risk profile. For example, investing cash into bank accounts is considered low risk/low return, while the share market has historically provided higher returns over the longer term with higher volatility.

## Currency risk

Some investments are exposed to currency movements. 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.

## Illiquidity risk

In certain circumstances, an investment option may become illiquid under the Corporations Act. If an investment option becomes illiquid, withdrawals will not be permitted unless the option's investment manager makes a withdrawal offer. The investment manager is not obliged to make such an offer. If an offer is made, you will be informed and may direct us to accept the offer with respect to part or all of your investment in the investment option. Where withdrawal requests exceed the amount available for release from the investment option the amount released will be distributed proportionally. For more information on illiquid investments refer to the Generations Investment Options PDS.

## Investment strategy asset classes

There are five main asset classes that are used when determining your investment strategy:

- Cash
- Fixed interest – Australian and international
- Property – Australian and international
- Equities – Australian and international
- Alternatives.

These five asset classes have different risks and different expected returns. Allocating your money across all the asset classes may reduce your risk by providing diversification, as one asset class may perform well while another asset class performs poorly.

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

Asset class	Characteristics	Time horizon	Risk	Return
<b>Cash</b>	Cash consists of bank deposits and short-dated debt issued by governments and corporations. This asset has a low-risk classification and historically has generated the lowest return of all the asset classes.	Generally 1–3 years	Low	Low
<b>Fixed interest</b>	Fixed interest consists principally of long-dated debt issued by governments and corporations. This asset may provide a higher return than cash at a slightly higher risk.	Generally 2–4 years	Medium	Medium
<b>Property</b>	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
<b>Equities</b>	Equities are individual holdings in companies that are listed on a stock exchange eg 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
<b>Alternatives</b>	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 achieve high returns that (at times) can be diversified from the returns of other assets.	Generally 5–7 years	High	High

# How will the benefit be paid upon death?

You may choose one of the following options for nominating how a death benefit would be paid in the event of your death:

- binding death benefit nomination – the Trustee is bound to pay your benefit to the person(s) you have nominated as long as your nomination is valid.
- non-binding death benefit nomination – the Trustee will consider the nomination provided by you but has discretion to pay your benefit to one or more of your dependants and/or your legal personal representative in proportions it determines.
- reversionary pensioner – you can request that your pension continue after your death by nominating your spouse or your child as a reversionary pensioner (Personal Pension only).

In the case of pension assets, if a death benefit becomes payable it will consist of:

- your pension benefit, and
- the proceeds of any insurance claim paid by the Insurer.

No tax is paid on lump-sum death benefits paid to a death benefit dependant as defined in the tax legislation. A pension payable to your dependant including a reversionary pensioner may be tax-free depending, for example, on your age when you die and the age of the recipient dependant beneficiary.

A non-dependant beneficiary of your death benefit can only receive payment as a lump sum and will be subject to tax. The taxable component of a lump sum paid to a non-dependant (including children 18 and over) is taxed as assessable income.

In the case of a child death benefit dependant, a death benefit income stream may be paid only where, at the time of the member's death, the child dependant is:

- under 18 years of age
- between 18 and 25 years of age and financially dependent on the member (although the income stream is subject to different tax treatment), or
- disabled as defined in the Disability Services Act 1986 (although, again, the income stream is subject to different tax treatment).

A death benefit income stream paid to a child dependant must be commuted when the child reaches age 25, unless the child is disabled as defined in the Disability Services Act 1986.

Contact your financial adviser for further details. To nominate beneficiaries, complete the appropriate section of the Application form.

The Wealth Personal Superannuation and Pension Fund Trust Deed defines 'Dependant' as the definition provided in the Superannuation Industry (Supervision) Act 1993. The following information is relevant to the payment of death benefits from Generations Personal Super and Personal Pension plans:

**Dependant**, in relation to a person, includes the spouse of the person, any child of the person and any person with whom the person has an interdependency relationship.

**Child**, in relation to a person, includes:

- a) an adopted child, a stepchild or an ex-nuptial child of the person, and
- b) a child of the person's spouse, and
- c) someone who is a child of the person within the meaning of the Family Law Act 1975.

**Spouse** of a person includes:

- a) another person (whether of the same sex or a different sex) with whom the person is in a relationship that is registered under a law of a State or Territory prescribed for the purposes of section 22B of the Acts Interpretation Act 1901 as a kind of relationship prescribed for the purposes of that section, and
- b) another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple.

Two people (whether or not related by family) have an **interdependency relationship** if:

- a) they have a close personal relationship, and
- b) they live together, and
- c) one or each of them provides the other with financial support, and
- d) one or each of them provides the other with domestic support and personal care.

If two people have a close personal relationship but do not satisfy the other conditions in the paragraph above because either or both of them suffer from a physical, intellectual or psychiatric disability, they will be considered to have an **interdependency relationship**.

## Binding death benefit nomination

Estate planning is an important aspect of any financial plan. In the event of your death, effective estate planning can help to ensure that your family's needs are catered for and that your estate is administered or distributed in accordance with your wishes.

A binding death benefit nomination gives you certainty about who will receive your superannuation benefit in the event of your death. Dependants can elect to receive the death benefit as a pension or a lump sum.

The Trustee is bound to 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 at the time of your death and/or your legal personal representative.

If your nomination is no longer valid or has expired, the Trustee will have discretion to determine to whom your death benefit is paid.

To be valid, a nomination must:

- be fully completed, signed and dated by you

## Section 6 How will the benefit be paid upon death?

- be witnessed by two people who are 18 years of age or over, neither of whom is nominated on the form. Each witness must also sign and date the Witness declaration section, and
- nominate one or more (to a maximum of eight) 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.

Your nomination expires after three years. We strongly recommend that you review your nomination regularly and update your nomination as your personal circumstances change. 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 binding death benefit nomination form at any time.

If your binding death benefit nomination expires and is not replaced by a new binding death benefit nomination, your benefit will be paid at the discretion of the Trustee to one or more of your dependants and/or your legal personal representative as if a non-binding death benefit nomination or no nomination had been made.

If you wish to revoke a binding death benefit nomination, you must ensure that two people who are 18 years of age or over sign and date this notice. The Binding death benefit nomination of beneficiaries – re-confirmation form provides an option to revoke your nomination.

If you nominate your legal personal representative as your beneficiary, make sure that you have a valid and current will. If you die without a will, the Trustee will 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.

### No nomination

In the event that no nomination is made, your benefit will be paid at the discretion of the Trustee to one or more of your dependants and/or your legal personal representative.

### Non-binding death benefit nomination

If this option is chosen, the Trustee will consider the nomination provided by you but has discretion to pay your benefit to one or more of your dependants and/or your legal personal representative in proportions it determines.

### Reversionary pensioner

#### Applicable to Personal Pension only

You can request that your pension continue after your death by nominating your spouse or your child as a reversionary pensioner.

When you die, the nominated person will continue to receive the income payments until the benefit is exhausted. If you have nominated your spouse as the reversionary pensioner they must be your spouse at the time of your death. If the nominated person is not a dependant at the time of your death, the Trustee will use its discretion to determine how the benefit will be paid.

The taxation of a death benefit paid as a reversionary pension will depend on the age of the primary and reversionary beneficiary.

- a) If the primary beneficiary was aged 60 or over at the time of death, then payments to the reversionary beneficiary will be tax exempt.
- b) If the primary beneficiary was under age 60 at the time of death, the pension will continue to be taxed at the reversionary beneficiary's marginal tax rate (less any deductible amount and pension rebate) unless, or until, the reversionary beneficiary is age 60 or over, in which case it will be tax exempt.
- c) Death benefits will be able to be paid as a pension to a dependant child, although when the child turns 25, the balance in the fund will have to be paid as a lump sum (tax-free) unless the child was permanently disabled within the meaning of the Disability Services Act 1986.

### No dependant or legal personal representative

If there is no dependant or legal personal representative, the Trustee is required to pay the benefit to another suitable person – for example, a parent or other close relative.

### Anti-detriment payment

Under the Income Tax Assessment Act, following the death of a member of a complying superannuation fund, the lump sum benefit payable may be increased to take into account the tax paid in respect of the contributions credited to the member's account. In effect the contributions tax is refunded by the Australian Taxation Office (ATO) to the deceased member's dependent 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.

### Invested assets switched to the cash account

Upon receipt of written notification of the member's death, applicable assets will be switched into the AXA Cash Management investment option (unless a reversionary pension has been selected). This amount and any insurance benefits (if applicable) will then be made available to the Trustee for distribution to beneficiaries. Members invested in term deposits will continue to be invested based on terms associated with the asset until maturity date, unless otherwise notified by the beneficiary/ies as determined by the Trustee.

### Investment instructions, adviser remuneration and online authorities

Any existing investment instructions, regular savings plans, pension payments, adviser remuneration and online authorities may also be cancelled upon receipt of notification of the member's death.

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

# What about taxation? /

## Taxation information for super

### Contributions tax

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

Our current practice is to make provisions for this tax as contributions are received. However, the actual tax payable will not be deducted until it falls due. This gives you the benefit of deriving earnings at the cash account rate on this amount from the time you make the contributions to the time the tax falls due.

### Contribution limits

#### Concessional contribution caps

A cap of \$25,000 per person per year applies to concessional contributions, which is indexed. Excess concessional contributions will be taxed at the top marginal rate which includes the 15 per cent contribution 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 super 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 Australian Taxation Office (ATO) at the relevant time) and forward it to the Fund accordingly.

A transitional cap of \$50,000 per person per year will apply for people who are aged 50 and over on the last day of a financial year in the five years until 1 July 2012. This transitional cap will not be indexed. From 1 July 2012, the concessional cap for individuals over 50 will reduce to \$25,000 (indexed).

It was originally intended that from 1 July 2012, the concessional contributions cap for individuals aged 50 and over will reduce to \$25,000 (indexed). However, in the May 2010 Federal Budget the government announced its intention to extend this cap beyond 1 July 2012 for members who are over 50 years of age and have total superannuation of less than \$500,000. This change has not been legislated at the time of publication of this document.

#### Non-concessional contribution caps

An annual cap of \$150,000 per person applies to non-concessional contributions, which is indexed. 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 of up to \$150,000 in that year and each subsequent year to age 75.

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 super 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 which 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, please contact your financial adviser.

### Contribution surcharge tax

Prior to 30 June 2005, the government imposed a surcharge on certain contributions made or rolled over to super. Surcharge was abolished after that date. Nonetheless, you may still receive a surcharge assessment after 1 July 2005 for contributions made and/or super benefits rolled over in previous years.

### Tax on investment earnings

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

### Tax deductions

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

If you have made member contributions, you will be asked by Summit at the end of the financial year to notify us if you want to claim a tax deduction.

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 member contributions you make.

If you are self-employed or substantially self-employed (less than 10 per cent of your assessable income is from employment where an employer pays super for you) you may be eligible to claim a tax deduction for contributions you make to super. 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).

### Taxation information for pension

If your non-concessional contributions to your super account have exceeded the non-concessional cap immediately before commencing your pension, you may incur an excess non-concessional contributions tax liability. In this case you must obtain a release authority from the ATO to withdraw an amount equal to your tax liability from your fund.

### Pension payments taxation

#### Aged under 60

If you are aged under 60 we are generally required to deduct some tax from your pension payments. Accordingly any difference between your calculated pension amount and the amount you receive represents income tax that has been deducted (see the table on page 12).

Your pension payments 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 Medicare levy if applicable).

However, you may be entitled to a tax offset on your income payments relating to the taxable component from your plan of up to 15 per cent of the taxable amount if you are under the age of 60 but have reached your preservation age.

Your financial adviser can assist you to 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.

## Section 7 What about taxation?

### Investment earnings tax

Earnings on your Generations Personal Pension investment are currently exempt from tax.

### Taxation information for Generations Personal Super and Personal Pension

The Trustee is required by law to refund any personal member contributions received if a Tax File Number (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 cover for a specific period.

### Untaxed elements

If a rollover or transfer is received for a Generations account that includes an untaxed element, the Trustee is required to deduct 15 per cent tax from the untaxed element, converting it to a taxed element.

### Lump-sum withdrawals

The way lump-sum benefits are taxed depends on your age and the taxable component of your lump sum.

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. If tax is payable on your lump sum, 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, super benefits paid from a taxed source, whether in the form of a super lump-sum benefit or pension payments are tax-free and are not required to be declared on your tax return. All benefits paid from Generations Personal Super and Personal Pension are paid from a taxed source.

The following is a summary of the different components and how they are taxed when paid as a lump sum as at the issue date of this Additional information booklet.

Current component	Previous component*	Source	Taxation
<b>Taxable component – taxed element</b>	Post-June 1983 ‘taxed’ component	Benefits relating to service or membership accrued after 30 June 1983, excluding the tax-free component	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 the amount over this will be subject to tax at 16.5% (including Medicare levy). If you are aged 60 years or over, any super benefits paid to you are tax-free.
<b>Taxable component – untaxed element</b>	Post-June 1983 ‘untaxed’ component	Benefits relating to service or membership accrued after 30 June 1983 being paid directly from an employer or unfunded super scheme	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 super benefits are paid to you or your dependants.
<b>Tax-free component</b>	Undeducted contributions	Contributions other than by an employer, for which a tax deduction has not been claimed by the member	Tax free
	Concessional component	Payments made before 1 July 1994 as a result of a bona fide redundancy, invalidity or approved early retirement scheme	Tax free
	Pre-July 1983 component	Benefits relating to service or fund membership accrued before 1 July 1983	Tax free
	Post-July 1994 invalidity component	Payments made since 1 July 1994 as a result of invalidity	Tax free
	CGT-exempt component	Proceeds from a sale of a small business elected to be contributed to super and which are exempt from CGT up to \$1.1 million	Tax free

\* Descriptions of components applicable before 1 July 2007.

The actual tax rates and the levels at which they apply are determined by the ATO and can change each year. 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 how lump sums and pension payments are taxed depending on your age at the time of payment. These rates do not include the Medicare levy.

Age	Super lump sum	Super income stream
Aged 60 and above	Tax-free (not assessable, not exempt income)	Tax-free (not assessable, not exempt income)
Preservation age to age 59	0% up to low rate cap of threshold (indexed). Any amount of the Taxable component above low rate cap is subject to 15% tax.	Marginal tax rates and 15% tax offset may apply to the Taxable component.
Below preservation age	Taxable component is subject to 20% tax	Marginal tax rates apply to the Taxable component (no tax offset) <sup>1</sup>

1 A disability super income stream also receives a 15% offset.

# What else do I need to know? /

## Reporting

### Keeping track of your investments

A major benefit of Generations Personal Super and Personal Pension is the convenience of regular reporting on your investment portfolio.

Comprehensive reports will help you keep track of the performance of your investments. They also provide a valuable source of information on all aspects of your investment portfolio to assist your review of its overall direction and future strategy.

### Annual member statement

We will provide you with a statement with information current as at 30 June each year, including:

- current account balance
- statement of transactions
- fund performance summary.

### Trustee annual report

The Trustee's annual report to members detailing information related to the management and financial condition of the Fund as at 30 June of that year will be made available on [summitservice.com.au](http://summitservice.com.au).

### Cash account

In the event that your investments become illiquid, the value of your cash account 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 protect the value of your cash account from falling further into negative and to reduce the amount of interest you would need to pay on your cash account balance, we may invoke certain restrictions on your account. These restrictions include, but are not limited to, reducing pension payments and certain fees, ceasing withdrawals and cancelling your insurance.

### Family law and super

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

### Supply of member information to the Australian Taxation Office (ATO)

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

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

## The Trust Deed

Generations Personal Super and Personal Pension is a plan within the Wealth Personal Superannuation and Pension Fund (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 laws relating to super.

Members' entitlements are determined by the provisions of the Trust Deed and the laws relating to super. The investments of the Fund are held by the Trustee on behalf of all of 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' entitlements 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.

### 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 options). National Mutual Funds Management Limited (NMFM) and ipac asset management limited (ipac) are the responsible entities for these investment options. For a full list of the investment options, refer to the Generations Investment Options PDS.

AllianceBernstein Australia Limited (AllianceBernstein) is also a related party of the Trustee. AllianceBernstein may provide investment management services to the investment options issued by NMFM and ipac.

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 RBC Dexia Investor Services Trust ABN 75 116 809 824 (RBC) 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 offers Generations members insurance cover. The insurer is The National Mutual Life Association of Australasia Limited ABN 72 004 020 437. Insurance cover is provided under insurance policies held by the Trustee.

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.

**axa.com.au**

Trustee: N.M. Superannuation Proprietary Limited  
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Fund: Wealth Personal Superannuation and Pension Fund  
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