

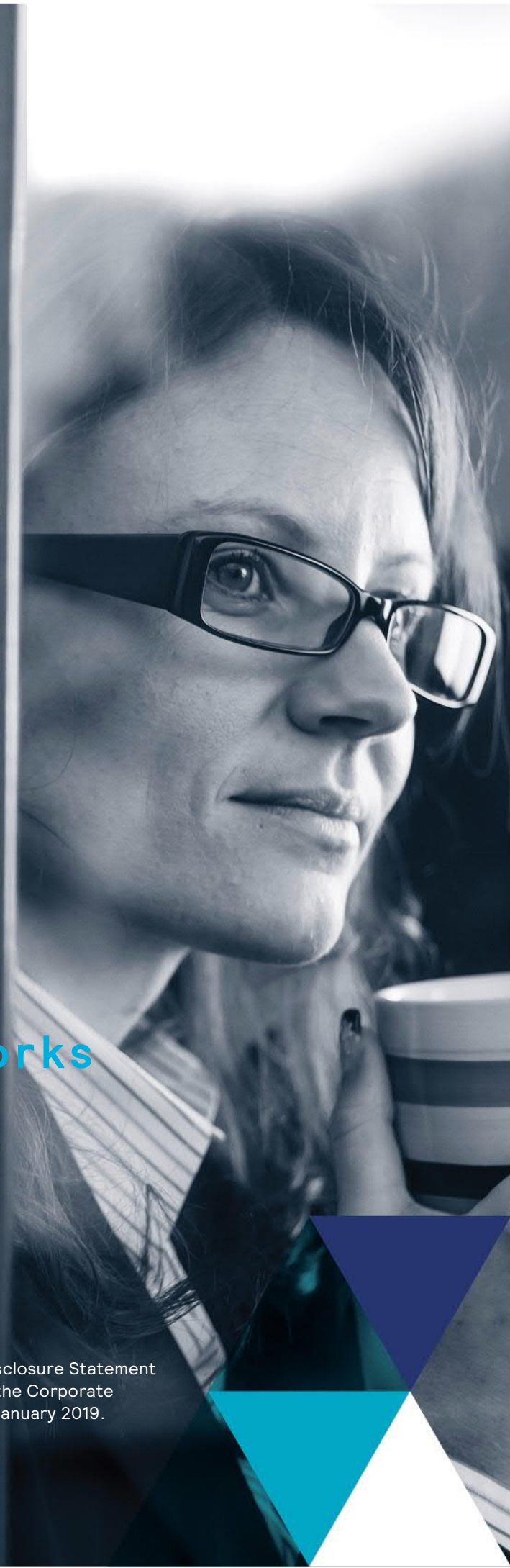
How Your Super Works

1 January 2019

Mercer Super Trust
Corporate Superannuation Division

Mercer SmartSuper Plan
Individual Section

The information in this booklet forms part of the Product Disclosure Statement for the Individual Section of the Mercer SmartSuper Plan in the Corporate Superannuation Division of the Mercer Super Trust dated 1 January 2019.



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This booklet is issued by Mercer Superannuation (Australia) Limited ABN 79 004 717 533 as trustee of the Mercer Super Trust ABN 19 905 422 981. 'MERCER' and Mercer SmartPath are Australian registered trade marks of Mercer (Australia) Pty Ltd (Mercer) ABN 32 005 315 917.

ABOUT THIS BOOKLET

This *How Your Super Works* booklet (Booklet) provides important information about the Individual Section of the Mercer SmartSuper Plan (your Plan) in the Corporate Superannuation Division (CSD) of the Mercer Super Trust and forms part of the Product Disclosure Statement (PDS).

You should consider the information in this Booklet, the PDS, the *Insurance* booklet and the *Investments* booklet that are part of the PDS before making any decision about your super.

This Booklet contains general information only and does not take into account your individual objectives, financial situation or needs. Before acting on this information, you should consider whether it is appropriate to your objectives, financial situation and needs. You should get financial advice tailored to your personal circumstances.

Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533 AFSL 235906 is the trustee of the Mercer Super Trust ABN 19 905 422 981. In this Booklet, MSAL is called trustee, we or us.

Mercer Outsourcing (Australia) Pty Ltd (MOAPL) ABN 83 068 908 912 AFSL 411980, Mercer Investments (Australia) Limited (MIAL) ABN 66 008 612 397 AFSL 244385, Mercer Financial Advice (Australia) Pty Ltd (MFAAPL) ABN 76 153 168 293 AFSL 411766, and AIA Australia Limited (AIA) ABN 79 004 837 861 AFSL 230043 are named in this Booklet and have consented to being so named.

AIA is the insurer of the group insurance policy (known as the trustee's umbrella policy) for the Individual Section of the Mercer SmartSuper Plan and other plans within the CSD of the Mercer Super Trust.

MSAL, MOAPL, MIAL and MFAAPL are wholly owned subsidiaries of Mercer (Australia) Pty Ltd (Mercer) ABN 32 005 315 917.

References to 'your Plan' throughout the PDS and this Booklet mean the Individual Section of the Mercer SmartSuper Plan in the CSD of the Mercer Super Trust.

MSAL is responsible for the contents of this Booklet and is the issuer of this Booklet.

MOAPL, MIAL, MFAAPL, Mercer or AIA are not responsible for the issue of, or any statements in this Booklet, the PDS or any other important information booklets referred to in this Booklet or the PDS. They do not make any recommendation or provide any opinion regarding your Plan or an investment in the Mercer Super Trust.

The value of the investments in your Plan may rise and fall from time to time. MSAL, MOAPL, MIAL, MFAAPL, Mercer or AIA do not guarantee the investment performance, earnings, or the return of any capital invested in your Plan.



Updated information

The information in this Booklet, the PDS and the other booklets that are part of the PDS may change.

You can obtain updated information that is not materially adverse at [mercersuper.com](https://www.mercersuper.com) or by calling the Helpline to request a copy of the information free of charge.

Changes that are materially adverse will be advised to you as required by law.



MERCER DIRECT INVESTMENT OPTION

See the *Mercer Direct Member Guide* for more details about the Mercer Direct investment option. This guide is available at [mercersuper.com/documents](https://www.mercersuper.com/documents). The Mercer Direct investment option will be available from mid-February 2019.

HOW TO CONTACT US

Helpline

Call the Helpline on **1800 682 525** or if calling from outside Australia on **61 3 8687 1823** from 8am to 7pm AEST Monday to Friday.

Online

[mercersuper.com](https://www.mercersuper.com)

After you join the Individual Section, we will send you your personal login. You will then be able to access information about your super in the Mercer Super Trust, including annual reports.

Our online tools include:

- up to date information on investment options
- information from our wealth education experts
- financial planning tools
- ability to update your contact details.

Our website is available 24 hours per day, seven days per week; however, the website may not be available when we need to carry out scheduled updates or maintenance.

By mail

General correspondence and forms

Mercer Super Trust
GPO Box 4303
Melbourne VIC 3001

To write to the trustee

Mercer Superannuation (Australia) Limited
GPO Box 4303
Melbourne VIC 3001



Keep your contact details up to date

We can only send you information if we have your current contact details. You can update your details at [mercersuper.com](https://www.mercersuper.com) (sign in using your personal login) or call the Helpline.

We may send member communications to you (including member statements and significant event notices that the law permits) by:

- email (where we have an email address for you including any email address provided by you or any other person on your behalf including your employer), and/or
- SMS (where we have a mobile number provided by you), and/or
- a link to a website so you can download them.

We can also post documents to you. When you receive your personal login details, simply update your communication preferences online under 'Personal Details' or call the Helpline.

FEES AND COSTS



Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You or your employer may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the [Australian Securities and Investments Commission \(ASIC\) website \(www.money-smart.gov.au\)](http://www.money-smart.gov.au) has a superannuation calculator to help you check out different fee options.

The table below shows fees and other costs that we may charge you in your Plan in the Mercer Super Trust. We may deduct these fees and other costs from your super account balance, from the returns on your investment or from the assets of the Mercer Super Trust as a whole.

We may charge other fees, such as activity fees, advice fees for personal advice and insurance fees but these will depend on the nature of the activity, advice or insurance that you have chosen or applicable to your Plan.

You should read all the information about fees and other costs because it is important to understand their impact on your investment in the Mercer Super Trust:

- See the 'GST' section in this Booklet for an explanation of the impact of GST on the fees and charges described in this Booklet.
- For insurance costs, go to the 'Insurance in Your Super' section of this Booklet.
- The 'How Super is Taxed' section in this Booklet summarises how tax may be applied to super.
- See the *Mercer Direct Member Guide* for more details about taxes and investments in the Mercer Direct investment option. This guide is available at mercersuper.com
- The 'Fees and other costs table – Individual Section', 'Breakdown of fees and other costs table' and the 'Additional explanation of fees and costs' section below set out fees and costs for the Mercer SmartPath® investment option and other investment options in your Plan.
- See 'Defined fees' in the 'Additional explanation of fees and costs' section of this Booklet for definitions of fees referred to in the table below.
- See 'Fee Changes' in the 'Additional explanation of fees and costs' section of this Booklet for information about how the trustee may change fees.

FEES AND OTHER COSTS TABLE – INDIVIDUAL SECTION

Type of Fee or Cost	Amount	How and when paid										
<p>Investment fee</p> <p>The amount you pay for specific investment options is shown in the 'Breakdown of fees and other costs table' included in the 'Additional explanation of fees and costs' section of this Booklet.</p> <p>* References in this Booklet to 'Born prior to 1954' include the following paths – Born prior to 1929, Born 1929 to 1933, Born 1934 to 1938, Born 1939 to 1943, Born 1944 to 1948 and Born 1949 to 1953. 'Born after 1964' includes the following paths – Born 1964 to 1968, 1969 to 1973, Born 1974 to 1978, Born 1979 to 1983, Born 1984 to 1988, Born 1989 to 1993, Born 1994 to 1998, Born 1999 to 2003 and 2004 to 2008.</p>	<p>We charge the following investment fees:</p> <p>From 0.00% to 1.13% per annum of your super account balance, depending on the investment option you choose.</p> <p>For the Mercer SmartPath investment option.</p> <p>The investment fee depends on the path that applies to you in the table below:</p> <table border="1"> <thead> <tr> <th>Path</th> <th>Investment fee (% per annum of your super account balance)</th> </tr> </thead> <tbody> <tr> <td>Born prior to 1954*</td> <td>0.33%</td> </tr> <tr> <td>Born 1954 to 1958</td> <td>0.36%</td> </tr> <tr> <td>Born 1959 to 1963</td> <td>0.44%</td> </tr> <tr> <td>Born after 1964*</td> <td>0.47%</td> </tr> </tbody> </table>	Path	Investment fee (% per annum of your super account balance)	Born prior to 1954*	0.33%	Born 1954 to 1958	0.36%	Born 1959 to 1963	0.44%	Born after 1964*	0.47%	<p>We generally calculate and deduct this fee daily (from the relevant investment option) when unit prices are determined. Deductions will be reflected in your super account balance.</p>
Path	Investment fee (% per annum of your super account balance)											
Born prior to 1954*	0.33%											
Born 1954 to 1958	0.36%											
Born 1959 to 1963	0.44%											
Born after 1964*	0.47%											

FEES AND OTHER COSTS TABLE (CONTINUED)

Type of Fee or Cost	Amount	How and when paid														
<p>Administration fee</p> <p>The amount you pay for specific investment options is shown in the 'Breakdown of fees and other costs table' included in the 'Additional explanation of fees and costs' section of this Booklet.</p>	<p>We charge the following administration fees:</p> <ul style="list-style-type: none"> a dollar based administration fee of \$87.12 per annum (\$7.26 per month), and an asset based administration fee depending on the investment options you choose and the value of your super account balance (as shown in the table below), and an estimated expense allowance range of between 0.00% to 0.05% per annum of your super account balance. <p>The table below sets out the asset based administration fees.</p>	<p>We generally deduct the dollar based administration fee and, where applicable, the portfolio administration fee (for the Mercer Direct investment option) on the last day of the month from your super account balance. These fees are deducted in accordance with your investment strategy for future contributions.</p> <p>We generally calculate and deduct the asset based administration fee and expense allowance daily (from the relevant investment option) when unit prices are determined. These deductions will be reflected in your super account balance. If the fee deducted from the unit price is greater than the applicable fee for your Plan, we will credit the difference on the last day of the month (or when you leave your Plan) to your super account balance by issuing additional units.</p> <p>We generally calculate and deduct the asset based administration fee and expense allowance for the Mercer Direct investment option on the last day of the month from your super account balance. These deductions are in accordance with your investment strategy for future contributions and are calculated as follows:</p> <p><i>Applicable annual fee times your balance in the Mercer Direct investment option on the last day of the month divided by 12.</i></p>														
	<table border="1"> <thead> <tr> <th>Investment option</th> <th colspan="2">Asset based administration fee (% per annum of your super account balance)</th> </tr> </thead> <tbody> <tr> <td>Mercer SmartPath</td> <td colspan="2">0.55%</td> </tr> <tr> <td>Mercer Direct</td> <td colspan="2">0.10%</td> </tr> <tr> <td rowspan="2">All other investment options</td> <td>First \$300,000</td> <td>0.60%</td> </tr> <tr> <td>Balance over \$300,000[#]</td> <td>0.00%</td> </tr> </tbody> </table>		Investment option	Asset based administration fee (% per annum of your super account balance)		Mercer SmartPath	0.55%		Mercer Direct	0.10%		All other investment options	First \$300,000	0.60%	Balance over \$300,000 [#]	0.00%
	Investment option		Asset based administration fee (% per annum of your super account balance)													
	Mercer SmartPath		0.55%													
	Mercer Direct		0.10%													
	All other investment options		First \$300,000	0.60%												
Balance over \$300,000 [#]		0.00%														
<p>[#] If the balance of your super account (excluding any balance in the Mercer SmartPath investment option and the Mercer Direct investment option) is over \$300,000, then the asset based administration fee for your balance invested in these investment options over \$300,000 is 0.00%.</p> <p>In addition to the above fees, if you are invested in the Mercer Direct investment option, a portfolio administration fee of \$210.00 per annum (\$17.50 per month) is charged.</p>																
<p>Buy-sell spread</p> <p>For details of the buy-sell spreads applicable to a particular investment option, please refer to the information under the 'Buy-sell spreads' section in the 'Additional explanation of fees and costs' section of this Booklet.</p>	<p>Nil.</p>	<p>These costs are applied only once when the contribution or rollover is paid into the Mercer Super Trust (or a switch is made within the Mercer Super Trust). They are not paid at the time you make a withdrawal from the Mercer Super Trust.</p>														
<p>Switching fee</p>	<p>Nil</p>	<p>Not applicable</p>														
<p>Exit fee</p>	<p>\$139.58</p> <p>You do not pay an exit fee on super payouts you withdraw from your Plan that remain in the Mercer Super Trust</p>	<p>Deducted from each super payout (including any partial payout) at the time we make the super payout (before we apply tax). This applies whether this payment is made in cash, rolled over or transferred including amounts paid to:</p> <ul style="list-style-type: none"> another super fund, or the Australian Tax Office (ATO) (including payments to meet any tax payable), or your spouse pursuant to a contribution split. 														

FEES AND OTHER COSTS TABLE (CONTINUED)

Type of Fee or Cost	Amount	How and when paid
Advice fees relating to all members investing in a particular investment option (including Mercer SmartPath).	Nil	Not applicable
Other fees and costs ^{1, 2}	See notes ¹ and ² below.	See notes ¹ and ² below.
<p>Indirect Cost Ratio (ICR)</p> <p>The amount you pay for specific investment options is shown in the 'Breakdown of fees and other costs table' included in the 'Additional explanation of fees and costs' section of this Booklet.</p>	<p>An estimated ICR of between 0.00%^ to 3.59%^ per annum of your super account balance, depending on which investment option you choose.</p> <p>For the Mercer SmartPath investment option</p> <p>An estimated ICR of between 0.31%^ to 0.48%^ per annum of your super account balance, depending on which path you are in.</p> <p>^The ICRs for each investment option (except for SmartPath – Born 2004 to 2008, Mercer Socially Responsible Australian Shares and Mercer Socially Responsible Global Shares (Unhedged)) are for the year ending 30 June 2018 and are based on the actual information available and/or reasonable estimates for that period as at the date of this Booklet. The estimated ICRs for SmartPath – Born 2004 to 2008, Mercer Socially Responsible Australian Shares and Mercer Socially Responsible Global Shares (Unhedged) are based on a reasonable estimate only of the indirect costs generally expected to apply to these investment options for the year ended 30 June 2019. The ICRs may vary from year to year. For more details, see Indirect Cost Ratio in the 'Additional explanation of fees and costs' section of this Booklet.</p>	<p>ICRs are generally calculated and deducted daily (from the underlying investment vehicles or the relevant investment options) when unit prices are determined. This will be reflected in your super account balance.</p> <p>For the Mercer Direct investment option, we generally calculate and deduct the ICR on the last day of each month from your super account balance. This fee is deducted in accordance with your investment strategy for future contributions. The ICR is calculated as follows:</p> <p><i>Applicable annual fee times your balance in the Mercer Direct investment option on the last day of the month divided by 12.</i></p>

¹ Other fees and costs may apply to you including: family law fees, advice fees (which are negotiable) for personal advice and insurance fees (for more details see the 'Additional explanation of fees and costs' section of this Booklet).

² Other fees and costs may apply if you are invested in the Mercer Direct investment option including: a brokerage fee, a management fee for exchange traded funds and a term deposit break fee (for more details see the 'Additional explanation of fees and costs' section of this Booklet).

EXAMPLE OF ANNUAL FEES AND COSTS FOR THE MERCER SMARTPATH INVESTMENT OPTION

This table gives an example of how the fees and costs for the Mercer SmartPath investment option (the MySuper product for your Plan) can affect your superannuation investment over a one year period. You should use this table to compare this superannuation product with other superannuation products. This example is based on the Born 1989 to 1993 path. The investment fees and indirect costs for the Mercer SmartPath investment option vary depending on your path.

Example – Mercer SmartPath (Born 1989 to 1993)		Balance of \$50,000
Investment fees	0.47%	For every \$50,000 you have in the Mercer SmartPath investment option you will be charged \$235.00 each year.
PLUS Administration fees	0.60% plus \$87.12	And , you will be charged \$300.00 each year plus \$87.12 in dollar based administration fees regardless of your balance.
PLUS indirect costs for Mercer SmartPath	0.48%	And , indirect costs of \$240.00 each year will be deducted from your investment.
EQUALS cost of Mercer SmartPath		If your balance was \$50,000, then for that year you will be charged fees of \$862.12* for the Mercer SmartPath* investment option.

*Additional fees may apply. If you leave the Mercer Super Trust, you will also be charged an exit fee of \$139.58 for every payment from the Mercer Super Trust for you (even where the payment is only part of your super account balance).

ADDITIONAL EXPLANATION OF FEES AND COSTS

Breakdown of fees and other costs table

This table shows the investment fee, an estimated expense allowance range, the asset based administration fee and the estimated ICR for each investment option. See a description of expense allowance and ICR later in this section of this Booklet. For Mercer SmartPath, the investment fee and ICR that apply will depend on the path applicable to your year of birth.

Investment option			Investment fee (% per annum)	Administration fees			Estimated ICR (% per annum) ^{##}
				Estimated expense allowance range (% per annum)	Asset based administration fee (% per annum of super account balance)		
					First \$300,000	Balance over \$300,000 [#]	
Ready-Made	Mercer SmartPath [^]	Born prior to 1929	0.33	0-0.05	0.55	0.55	0.32
		Born 1929 to 1933	0.33	0-0.05	0.55	0.55	0.32
		Born 1934 to 1938	0.33	0-0.05	0.55	0.55	0.31
		Born 1939 to 1943	0.33	0-0.05	0.55	0.55	0.31
		Born 1944 to 1948	0.33	0-0.05	0.55	0.55	0.47
		Born 1949 to 1953	0.33	0-0.05	0.55	0.55	0.37
		Born 1954 to 1958	0.36	0-0.05	0.55	0.55	0.34
		Born 1959 to 1963	0.44	0-0.05	0.55	0.55	0.37
		Born 1964 to 1968	0.47	0-0.05	0.55	0.55	0.42
		Born 1969 to 1973	0.47	0-0.05	0.55	0.55	0.43
		Born 1974 to 1978	0.47	0-0.05	0.55	0.55	0.42
		Born 1979 to 1983	0.47	0-0.05	0.55	0.55	0.43
		Born 1984 to 1988	0.47	0-0.05	0.55	0.55	0.44
		Born 1989 to 1993	0.47	0-0.05	0.55	0.55	0.48
		Born 1994 to 1998	0.47	0-0.05	0.55	0.55	0.48
		Born 1999 to 2003	0.47	0-0.05	0.55	0.55	0.48
	Born 2004 to 2008	0.47	0-0.05	0.55	0.55	0.48	
	Mercer Diversified Shares	0.50	0-0.05	0.60	0.00	0.22	
	Mercer High Growth	0.45	0-0.05	0.60	0.00	0.49	
	Mercer Growth	0.40	0-0.05	0.60	0.00	0.44	
Mercer Moderate Growth	0.35	0-0.05	0.60	0.00	0.36		
Mercer Conservative Growth	0.30	0-0.05	0.60	0.00	0.30		
Mercer Cash	0.10	0-0.05	0.60	0.00	0.02		
Select-your-own	Mercer Socially Responsible	Mercer Socially Responsible Shares	0.88	0-0.05	0.60	0.00	0.26
		Mercer Socially Responsible Australian Shares [^]	0.88	0-0.05	0.60	0.00	0.20
		Mercer Socially Responsible Global Shares (Unhedged) [^]	0.88	0-0.05	0.60	0.00	0.29
		Mercer Socially Responsible Growth	0.78	0-0.05	0.60	0.00	0.42
	Diversified Plus	Mercer Select Growth [^]	0.75	0-0.05	0.60	0.00	0.87
		Mercer Income Plus [^]	0.40	0-0.05	0.60	0.00	0.58
	Mercer Sector	Mercer Australian Shares	0.45	0-0.05	0.60	0.00	0.31
		Mercer Australian Small Companies [^]	0.58	0-0.05	0.60	0.00	0.45

Breakdown of fees and other costs table (continued)

Investment option		Investment fee (% per annum)	Administration fees			Estimated ICR (% per annum) ##	
			Estimated expense allowance range (% per annum)	Asset based administration fee (% per annum of super account balance)			
				First \$300,000	Balance over \$300,000#		
Select-your-own	Mercer Sector	Mercer Overseas Shares (Unhedged)	0.53	0-0.05	0.60	0.00	0.15
		Mercer Hedged Overseas Shares^	0.54	0-0.05	0.60	0.00	0.29
		Mercer Overseas Small Companies^	0.93	0-0.05	0.60	0.00	0.20
		Mercer Emerging Markets^	0.93	0-0.05	0.60	0.00	0.33
		Mercer Property	0.55	0-0.05	0.60	0.00	0.92
		Mercer Overseas Listed Property^	0.68	0-0.05	0.60	0.00	0.40
		Mercer Global Listed Infrastructure^	0.70	0-0.05	0.60	0.00	0.39
		Mercer Diversified Alternatives^	1.13	0-0.05	0.60	0.00	3.59
		Mercer Fixed Interest	0.15	0-0.05	0.60	0.00	0.16
		Mercer Australian Sovereign Bonds^	0.15	0-0.05	0.60	0.00	0.09
		Mercer Overseas Sovereign Bonds^	0.15	0-0.05	0.60	0.00	0.15
	Mercer Term Deposit^	0.10	0-0.05	0.60	0.00	0.01	
	Indexed	Indexed Diversified Shares	0.20	0-0.05	0.60	0.00	0.07
		Indexed Australian Shares	0.20	0-0.05	0.60	0.00	0.05
		Indexed Overseas Shares	0.20	0-0.05	0.60	0.00	0.04
		Indexed Australian Listed Property^	0.25	0-0.05	0.60	0.00	0.09
		Enhanced Indexed Growth	0.24	0-0.05	0.60	0.00	0.10
	Enhanced Indexed Conservative Growth	0.24	0-0.05	0.60	0.00	0.10	
Mercer Direct	Mercer Direct	0.00	0-0.05	0.10	0.10	0.00	

Notes:

- # Any balance in the Mercer SmartPath investment option or the Mercer Direct investment option is not counted in the calculation of the member's super account balance for determining the balance over \$300,000 where a nil administration fee applies.
- ## The ICRs for each investment option (except SmartPath – Born 2004 to 2008, Mercer Socially Responsible Australian Shares and Mercer Socially Responsible Global Shares (Unhedged)) are for the year ending 30 June 2018 and are based on the actual information available and/or reasonable estimates for that period as at the date of this Booklet. The estimated ICRs for SmartPath – Born 2004 to 2008, Mercer Socially Responsible Australian Shares and Mercer Socially Responsible Global Shares (Unhedged) are based on a reasonable estimate only of the indirect costs generally expected to apply to these investment options for the year ended 30 June 2019. The ICRs may vary from year to year. For more details see the 'Indirect Cost Ratio' section under the 'Additional explanation of fees and costs' section of this Booklet.
- ^ The combined maximum investment fee, expense allowance and administration fee shall not exceed 4.00% per annum for these investment options.
- Δ For Mercer SmartPath, the fees for each path are effective at 1 January 2019 and are subject to change. The investment fees vary depending on which path you are in and generally reduce as you get older. For more details see 'Mercer SmartPath investment option' in the 'Investment fees' section of the 'Additional explanation of fees and costs' later in this Booklet.

INVESTMENT FEES

Investment fees apply to each investment option and typically vary depending on the type of assets the option invests in and the style of management (for example, active or indexed).

Mercer SmartPath investment option

Your investments in Mercer SmartPath will be placed in one of the paths based on your date of birth and will remain in that path for the duration of your investment in Mercer SmartPath.

Over the years, your path's exposure to growth and defensive assets will change. When your path's asset allocation changes, your path's investment fees may be adjusted as well. Typically, the investment fees for your path could be adjusted every five years. We expect the next adjustment on 1 January 2024.

For example, if you were born between 1 January 1964 and 31 December 1968, your investment strategy is based on 79% growth assets at 1 January 2019 and your investment fee is 0.47%. By 1 January 2024 you will have 69% growth assets and your investment fee is expected to be 0.44%. Your fees may continue to adjust as your growth asset allocation continues to move gradually to approximately 50%.

Performance fees

The trustee does not directly charge any performance fees. Accordingly there are no performance fees included in the investment fees charged to you by the trustee. However, performance related fees may be charged by underlying investment vehicles or managers of those vehicles which are included in the Indirect Cost Ratio (described below).

ADMINISTRATION FEES

The Administration Fee is a fee that relates to the administration or operation of the Mercer Super Trust (see 'Defined Fees' section of this Booklet) and includes:

- a dollar based administration fee
- an asset based administration fee; and
- an estimated expense allowance.

Estimated expense allowance

The trustee has the right to reimburse itself from the assets of the Mercer Super Trust. These reimbursements are for actual outgoings reasonably incurred with the running of the Mercer Super Trust, where those outgoings are not specifically for a division, plan or member account. If the trustee charges an expense allowance, that amount is included in the administration fee of the relevant investment option (as set out in the 'Fees and other costs table'). The allowance is passed on to members by an adjustment to the unit price reducing the investment performance of the relevant investment option.

If you are invested in the Mercer Direct investment option, the expense allowance is generally calculated and deducted on the last day of each month from your super account balance (in accordance with your investment strategy for future contributions). This fee is calculated as follows:

Applicable annual expense allowance times your balance in the Mercer Direct investment option (on the last day of the month) divided by 12.

The expense allowance varies from year to year reflecting the actual expenses incurred.

It is not possible to provide a precise figure for the expense allowances for investment options because expense allowances are not known until the end of the financial year. However, the range of expected expense allowances is set out in the 'Breakdown of fees and other costs' table.

The actual expense allowance may exceed the estimated ranges set out in the 'Breakdown of fees and other costs table'. We would only expect this to occur if there were unexpected expenses.

Actual expense allowances are provided in your Plan's *Annual Report*.

The trustee is also entitled to be indemnified out of the assets of the Mercer Super Trust if it incurs any liabilities, losses, costs and expenses in administering the Mercer Super Trust. See 'Trustee's indemnity' later in this Booklet for more details about this right of indemnity.

Worked example:

Assume an amount of \$50,000 is invested for 12 months in the Mercer SmartPath investment option.

The expense allowance is between 0.00% and 0.05% per annum of your super account balance, which is between \$0.00 and \$25.00 per annum.

Additional Units*

We deduct a standard asset based administration fee of 0.60% per annum (or 0.55% per annum for the Mercer SmartPath investment option) from each investment option before the unit price is determined. If the administration fee applicable to all or part of your super account balance is less than 0.60% per annum (or 0.55% per annum for the Mercer SmartPath investment option) of your super account balance, we credit additional units monthly at the end of each month to your super account. The amount of additional units will be based on the difference between the standard administration fee of 0.60% per annum (or 0.55% per annum for the Mercer SmartPath investment option) deducted and the administration fee applicable to you as described in the tables above.

We allocate any additional units according to your investment strategy for future contributions.

We adjust any additional units for tax, so that we credit only 85% of the gross value of additional units.

*Not applicable for the Mercer Direct investment option.

INDIRECT COST RATIO (ICR)

What is included?

Each investment option in your Plan has an ICR that represents the costs incurred by the underlying investment vehicles into which the Mercer Super Trust invests including but not limited to:

- performance related fees
- any expense allowance charged by any underlying investment vehicle or manager of those vehicles
- the net explicit transactional and operational costs (see 'Transactional and operational costs' later in this section), and
- Over the Counter Derivative costs where derivatives are used for hedging and/or non-hedging purposes.

Performance related fees

Where an underlying investment vehicle or manager is used to invest the assets of an investment option they may charge a performance related fee. These fees are reflected in the unit price of the underlying investment vehicle and accordingly form part of the ICR of the relevant investment option.

Underlying investment vehicles or managers that charge a performance related fee will generally only apply those fees when performance is greater than an agreed target. Accordingly, performance related fees will generally only arise when higher returns, relative to a specified target for a particular manager, are achieved.

Calculation of the ICR

The ICR is generally calculated and deducted daily (from the underlying investment vehicles or the relevant investment options, as applicable) when unit prices are determined, and is therefore reflected in the value of your super account balance. The calculation of the ICR for the Mercer Direct investment option differs. See below for details.

The actual ICR for each investment option (including each path in Mercer SmartPath) is determined at the end of each financial year. The Plan's *Annual Report* provides the actual ICR that applied for each investment option (including each path in Mercer SmartPath) for that financial year.

The estimated ICRs for each investment option are set out in the 'Breakdown of fees and costs' table in this Booklet. The ICRs for each investment option (except SmartPath – Born 2004 to 2008, Mercer Socially Responsible Australian Shares and Mercer Socially Responsible Global Shares (Unhedged)) are based on the actual information available and/or reasonable estimates for the year ending 30 June 2018 as at the date of this Booklet. The estimated ICRs for SmartPath – Born 2004 to 2008, Mercer Socially Responsible Australian Shares and Mercer Socially Responsible Global Shares (Unhedged) are based on a reasonable estimate only of the indirect costs generally expected to apply to these investment options for the year ended 30 June 2019.

The Estimated ICR Ranges table below gives you an estimate of the ranges of the future ICRs that are generally expected to apply for the individual investment options. These ranges do not act as limits or caps on the ICRs that may apply in the future as the ICRs may vary from year to year reflecting the indirect costs (if any) incurred by the underlying investment vehicles or managers.

Changes in the ICRs for a financial year may be disclosed via:

- the website mercersuper.com where the change is not materially adverse
- a notice to you when there is a materially adverse change to the ICRs.

Past fees and costs may not be a reliable indicator of future fees and costs.

Estimated ICR ranges

Investment option	Estimated ICR range (% per annum of your super account balance)
Mercer SmartPath – Born prior to 1944 [^]	0.15 – 0.45
Mercer SmartPath – Born 1944 to 1948	0.15 – 0.55
Mercer SmartPath – Born 1949 to 1953	0.15 – 0.50
Mercer SmartPath – Born 1954 to 1958	0.15 – 0.50
Mercer SmartPath – Born 1959 to 1963	0.15 – 0.50
Mercer SmartPath – Born 1964 to 1968	0.20 – 0.55
Mercer SmartPath – Born 1969 to 1973	0.20 – 0.55
Mercer SmartPath – Born 1974 to 1978	0.20 – 0.55
Mercer SmartPath – Born 1979 to 1983	0.20 – 0.55
Mercer SmartPath – Born 1984 to 1988	0.20 – 0.55
Mercer SmartPath – Born 1989 to 1993	0.25 – 0.60
Mercer SmartPath – Born 1994 to 1998	0.25 – 0.60
Mercer SmartPath – Born 1999 to 2003	0.25 – 0.60
Mercer SmartPath – Born 2004 to 2008	0.25 – 0.60
Mercer Diversified Shares	0.10 – 0.30
Mercer High Growth	0.20 – 0.60
Mercer Growth	0.20 – 0.55
Mercer Moderate Growth	0.15 – 0.45
Mercer Conservative Growth	0.15 – 0.40
Mercer Cash	0.01 – 0.05
Mercer Socially Responsible Shares	0.20 – 0.35
Mercer Socially Responsible Australian Shares	0.10 – 0.30
Mercer Socially Responsible Global Shares (Unhedged)	0.20 – 0.35
Mercer Socially Responsible Growth	0.20 – 0.55

Investment option	Estimated ICR range (% per annum of your super account balance)
Mercer Select Growth	0.20 – 1.10
Mercer Income Plus	0.40 – 0.75
Mercer Australian Shares	0.10 – 0.40
Mercer Australian Small Companies	0.30 – 1.70
Mercer Overseas Shares (Unhedged)	0.10 – 0.20
Mercer Hedged Overseas Shares	0.20 – 0.35
Mercer Overseas Small Companies	0.10 – 0.35
Mercer Emerging Markets	0.25 – 0.40
Mercer Property	0.60 – 1.15
Mercer Overseas Listed Property	0.30 – 0.60
Mercer Global Listed Infrastructure	0.30 – 0.80
Mercer Diversified Alternatives	2.00 – 4.75
Mercer Fixed Interest	0.10 – 0.20
Mercer Australian Sovereign Bonds	0.05 – 0.15
Mercer Overseas Sovereign Bonds	0.10 – 0.20
Mercer Term Deposit	0.01 – 0.05
Indexed Diversified Shares	0.02 – 0.10
Indexed Australian Shares	0.02 – 0.10
Indexed Overseas Shares	0.02 – 0.10
Indexed Australian Listed Property	0.05 – 0.15
Enhanced Indexed Growth	0.05 – 0.15
Enhanced Indexed Conservative Growth	0.05 – 0.15
Mercer Direct	0.00

[^] References in this Booklet to ‘Born prior to 1944’ include the following paths – Born prior to 1929, Born 1929 to 1933, Born 1934 to 1938 and Born 1939 to 1943.

ICR for the Mercer Direct investment option

If you are invested in the Mercer Direct investment option, the ICR is generally calculated and deducted on the last day of each month from your super account balance (it is deducted in accordance with your investment strategy for future contributions). The ICR for the Mercer Direct investment option is calculated as follows:

Applicable annual ICR times your balance in the Mercer Direct investment option on the last day of the month divided by 12.

Please see information under Mercer Direct investment option earlier in this Booklet.

TRANSACTIONAL AND OPERATIONAL COSTS*

* The following information applies to all investment options except the Mercer Direct investment option.

Transactional and Operational Costs are the costs associated with trading to manage the investment strategy for each investment option, as well as the buy and sell spreads that may be applied at the time of an investor making an application (buy spread) and withdrawal (sell spread) to cover the costs of these transactions.

Such costs are borne by members and some components of the transactional and operational costs are additional to those fees and costs disclosed in the 'Fees and Other Costs' table earlier in this Booklet.

Ongoing transactional and operational costs include:

- Explicit costs, such as brokerage, settlement costs (including custody costs), clearing costs, stamp duty on an investment transaction, property operating costs (where applicable) and buy-sell spreads less any costs recouped by the underlying investment vehicles.
- Implicit costs, which are costs that include an assessment of the difference between the price paid for acquiring an asset and the price that would be payable if it were disposed of (bid/ask price assessment) less any costs recouped by the underlying investment vehicles.

The net transactional and operational costs incurred for each investment option are equal to the total transactional and operational costs, less any costs recouped from the application of the buy-sell spread (paid by transacting members). No part of any transactional and operational cost is paid to the trustee or any investment manager as a fee and is not subject to GST.

See 'Buy-sell spreads' later in this section for details of which investment options have buy-sell spreads applied to them.

For each of the investment options, the estimated costs for the year ending 30 June 2018 are set out in the table below. This includes:

- Estimated total transactional and operational costs,
- **Less** costs recouped from the buy-sell spread (where applicable),
- **Equals** net transactional and operational costs.

Also shown are the net explicit costs (i.e. those already in the ICR) and net implicit costs (i.e. those costs which are not already in the ICR) for each of the investment options for the year ending 30 June 2018.

Investment option	Estimated total transactional and operational costs (% per annum of your super account balance)	Estimated costs recouped from the buy-sell spread (% per annum of your super account balance)	Estimated net transactional and operational costs (% per annum of your super account balance)	Estimated net transactional and operational costs disclosed in the ICR – also referred to as net explicit costs (% per annum of your super account balance)	Estimated net transactional and operational costs not disclosed in the ICR – also referred to as net implicit costs (% per annum of your super account balance)
Mercer SmartPath – Born prior to 1944 [^]	0.16	0.00	0.16	0.08	0.08
Mercer SmartPath – Born 1944 to 1948	0.20	0.00	0.20	0.13	0.07
Mercer SmartPath – Born 1949 to 1953	0.17	0.00	0.17	0.09	0.08
Mercer SmartPath – Born 1954 to 1958	0.17	0.00	0.17	0.09	0.08
Mercer SmartPath – Born 1959 to 1963	0.18	0.00	0.18	0.10	0.08
Mercer SmartPath – Born 1964 to 1968	0.21	0.00	0.21	0.12	0.09
Mercer SmartPath – Born 1969 to 1973	0.22	0.00	0.22	0.13	0.09
Mercer SmartPath – Born 1974 to 1978	0.22	0.00	0.22	0.13	0.09
Mercer SmartPath – Born 1979 to 1983	0.22	0.00	0.22	0.13	0.09
Mercer SmartPath – Born 1984 to 1988	0.22	0.00	0.22	0.13	0.09
Mercer SmartPath – Born 1989 to 1993	0.22	0.00	0.22	0.13	0.09
Mercer SmartPath – Born 1994 to 1998	0.22	0.00	0.22	0.13	0.09
Mercer SmartPath – Born 1999 to 2003	0.22	0.00	0.22	0.13	0.09
Mercer SmartPath – Born 2004 to 2008	0.22	0.00	0.22	0.13	0.09
Mercer Diversified Shares	0.22	0.00	0.22	0.11	0.11
Mercer High Growth	0.24	0.00	0.24	0.15	0.09
Mercer Growth	0.20	0.00	0.20	0.13	0.07
Mercer Moderate Growth	0.18	0.00	0.18	0.10	0.08
Mercer Conservative Growth	0.13	0.00	0.13	0.07	0.05
Mercer Cash	0.01	0.00	0.01	0.00	0.01

Investment option	Estimated total transactional and operational costs(% per annum of your super account balance)	Estimated costs recouped from the buy-sell spread (% per annum of your super account balance)	Estimated net transactional and operational costs (% per annum of your super account balance)	Estimated net transactional and operational costs disclosed in the ICR – also referred to as net explicit costs (% per annum of your super account balance)	Estimated net transactional and operational costs not disclosed in the ICR – also referred to as net implicit costs (% per annum of your super account balance)
Mercer Socially Responsible Shares	0.22	0.00	0.22	0.14	0.08
Mercer Socially Responsible Australian Shares	0.30	0.00	0.30	0.17	0.14
Mercer Socially Responsible Global Shares (Unhedged)	0.17	0.00	0.17	0.12	0.05
Mercer Socially Responsible Growth	0.21	0.00	0.21	0.14	0.07
Mercer Select Growth	0.25	0.00	0.25	0.16	0.09
Mercer Income Plus	0.15	0.00	0.15	0.08	0.06
Mercer Australian Shares	0.23	0.00	0.23	0.14	0.08
Mercer Australian Small Companies	0.69	0.00	0.69	0.36	0.32
Mercer Overseas Shares (Unhedged)	0.16	0.00	0.16	0.07	0.08
Mercer Hedged Overseas Shares	0.19	0.00	0.19	0.10	0.08
Mercer Overseas Small Companies	0.42	0.00	0.42	0.13	0.29
Mercer Emerging Markets	0.26	0.00	0.26	0.16	0.10

Investment option	Estimated total transactional and operational costs(% per annum of your super account balance)	Estimated costs recouped from the buy-sell spread (% per annum of your super account balance)	Estimated net transactional and operational costs (% per annum of your super account balance)	Estimated net transactional and operational costs disclosed in the ICR – also referred to as net explicit costs (% per annum of your super account balance)	Estimated net transactional and operational costs not disclosed in the ICR – also referred to as net implicit costs (% per annum of your super account balance)
Mercer Property	0.72	0.00	0.72	0.71	0.02
Mercer Overseas Listed Property	0.27	0.00	0.27	0.22	0.06
Mercer Global Listed Infrastructure	0.24	0.00	0.24	0.18	0.06
Mercer Diversified Alternatives	0.78	0.00	0.78	0.27	0.51
Mercer Fixed Interest	0.11	0.00	0.11	0.03	0.08
Mercer Australian Sovereign Bonds	0.06	0.00	0.06	0.01	0.04
Mercer Overseas Sovereign Bonds	0.07	0.00	0.07	0.01	0.06
Mercer Term Deposit	0.00	0.00	0.00	0.00	0.00
Indexed Diversified Shares	0.04	0.00	0.04	0.01	0.03
Indexed Australian Shares	0.06	0.00	0.06	0.01	0.05
Indexed Overseas Shares	0.02	0.00	0.02	0.01	0.01
Indexed Australian Listed Property	0.01	0.00	0.01	0.01	0.00
Enhanced Indexed Growth	0.05	0.00	0.05	0.01	0.03
Enhanced Indexed Conservative Growth	0.06	0.00	0.06	0.01	0.04
Mercer Direct	0.00	0.00	0.00	0.00	0.00

^ References in this booklet to 'Born prior to 1944' include the following paths – Born prior to 1929, Born 1929 to 1933, Born 1934 to 1938 and Born 1939 to 1943.

Past fees and costs may not be a reliable indicator of future fees and costs.

BUY-SELL SPREADS

There are no buy-sell spreads applied to any investment options as we use a single unit price for both the issue and redemption of units (i.e. the exit price equals the entry price). Where a buy-sell spread, is applied it is an additional cost to you. The buy-sell spread is not subject to GST.

The trustee reserves the right to apply a buy-sell spread to any investment option in the future.

BORROWING COSTS

Borrowing costs are any costs relating to a credit facility (loan) used as part of the overall investment strategy. Borrowing costs are an additional cost to you and may vary from year to year.

The borrowing costs (if any) for each of the investment options (except SmartPath – Born 2004 to 2008, Mercer Socially Responsible Australian Shares and Mercer Socially Responsible Global Shares (Unhedged)) for the year ending 30 June 2018 are based on the actual information available and/or reasonable estimates for that period as at the date of this Booklet and are set out below. The estimated borrowing costs for SmartPath – Born 2004 to 2008, Mercer Socially Responsible Australian Shares and Mercer Socially Responsible Global Shares (Unhedged) are based on a reasonable estimate only of the borrowing costs generally expected to apply for the year ended 30 June 2019.

Estimated borrowing costs

Investment option	Estimated Borrowing Costs (% per annum of your super account balance)
Mercer SmartPath- Born prior to 1959 [^]	0.03
Mercer SmartPath - Born 1959 to 1963	0.04
Mercer SmartPath - Born 1964 to 1968	0.04
Mercer SmartPath - Born 1969 to 1973	0.04
Mercer SmartPath - Born 1974 to 1978	0.04
Mercer SmartPath - Born 1979 to 1983	0.04
Mercer SmartPath - Born 1984 to 1988	0.04
Mercer SmartPath - Born 1989 to 1993	0.04
Mercer SmartPath - Born 1994 to 1998	0.04
Mercer SmartPath - Born 1999 to 2003	0.04
Mercer SmartPath - Born 2004 to 2008	0.04
Mercer Diversified Shares	0.00
Mercer High Growth	0.07
Mercer Growth	0.08
Mercer Moderate Growth	0.05
Mercer Conservative Growth	0.04

Mercer Cash	0.00
Mercer Socially Responsible Shares	0.00
Mercer Socially Responsible Australian Shares	0.00
Mercer Socially Responsible Global Shares (Unhedged)	0.00
Mercer Socially Responsible Growth	0.06
Mercer Select Growth	0.09
Mercer Income Plus	0.04
Mercer Australian Shares	0.00
Mercer Australian Small Companies	0.00
Mercer Overseas Shares (Unhedged)	0.00
Mercer Hedged Overseas Shares	0.00
Mercer Overseas Small Companies	0.00
Mercer Emerging Markets	0.00
Mercer Property	0.64
Mercer Overseas Listed Property	0.00
Mercer Global Listed Infrastructure	0.00
Mercer Diversified Alternatives	0.57
Mercer Fixed Interest	0.00
Mercer Australian Sovereign Bonds	0.00
Mercer Overseas Sovereign Bonds	0.00
Mercer Term Deposit	0.00
Indexed Diversified Shares	0.00
Indexed Australian Shares	0.00
Indexed Overseas Shares	0.00
Indexed Australian Listed Property	0.00
Enhanced Indexed Growth	0.00
Enhanced Indexed Conservative Growth	0.00
Mercer Direct	0.00

[^] References in this Booklet to 'Born prior to 1959' include the following paths – Born prior to 1929, Born 1929 to 1933, Born 1934 to 1938, Born 1939 to 1943, Born 1944 to 1948, Born 1949 to 1953 and Born 1954 to 1958.

OTHER FEES

The following fees may be additional to the fees and costs shown in the PDS.

Family law fees

A charge of \$514.00 will apply if your super is subject to an agreement or court order that splits your super between you and your former spouse. This charge is generally split equally between you and your former spouse.

Insurance fees

Insurance premiums are deducted monthly from your super account if you have insurance cover. See the 'Insurance in Your Super' section later in this Booklet for the insurance premiums applying for your Plan.

MOAPL generally receives 11.55% inclusive of GST (10.50% net of GST) of the premiums charged by the insurer as a fee for administering your Plan's insurance arrangements including underwriting and claims processing. The insurer pays this fee and it is built into the premium rates described in the 'Insurance in Your Super' section later in this Booklet

Advice fees

As a member of the Mercer Super Trust, you have access to a range of financial advice.

You can negotiate your advice fees with your Mercer financial adviser who is an authorised representative of Mercer Financial Advice (Australia) Pty Ltd. Fees for advice that is related to your super in the Mercer Super Trust can be conveniently deducted from your super account balance.

You can take advantage of the ability to deduct advice fees from your super account balance as long as you have a minimum of \$5,000 in your super account balance after the fee is deducted for any financial advice.

You can also make similar arrangements with other financial advisers. However, any financial adviser who is not an authorised representative of Mercer Financial Advice (Australia) Pty Ltd must be approved by the trustee.

If an advice fee is to apply to you or you wish to vary the amount of an existing advice fee, you will need to notify the trustee in writing by completing the appropriate form.

Call the Helpline if you wish to find out more about financial advice services or speak to a Mercer financial adviser.

Bankruptcy - exit fee

Government legislation allows a trustee in bankruptcy to recover certain super contributions.

Your super payout will be adjusted to reflect any payments made to a trustee in bankruptcy under a notice issued in accordance with this legislation.

An exit fee will apply if a payment is made to a trustee in bankruptcy in accordance with a notice to recover super contributions while you are a member of your Plan.

MERCER DIRECT FEES

Brokerage fee

This fee applies only to members who are invested in the Mercer Direct investment option and have shares and/or exchange traded funds.

A flat brokerage fee of 0.121% inclusive of GST (0.11% net of GST, minimum \$22 plus GST) applies to trades. The brokerage fee will be deducted from your Mercer Direct cash account at the time the trade is processed. GST will be applied at this time.

For example, if you invested in the Mercer Direct investment option and purchased \$90,000 worth of shares, the brokerage fee charged and deducted from your Mercer Direct cash account would be \$108.90 inclusive of GST (being 0.121% of \$90,000).

Management fee for Exchange Traded Funds (ETFs)

This fee applies only to members who are invested in the Mercer Direct investment option and have ETFs.

Fees incurred by the ETF, including management fees, custody costs and other expenses may be deducted from the returns from underlying securities in the ETF.

See the Mercer Direct section of the secure member website for a list of available ETFs. See the ETF provider's website for more information including any fees that may apply.

Term deposit break fee

If you cancel a term deposit before the maturity date, the term deposit provider may withhold some or all of the earnings that would have been due had you held the term deposit to maturity. See the terms and conditions of the term deposit provider for more details about any break fees.

ADDITIONAL FEES THAT CAN ARISE

The trustee may incur various costs, charges and expenses (outgoings) in respect of your Plan, whilst acting as trustee of the Mercer Super Trust. These can include the cost of arranging transfers of members in and out of your Plan, Plan legal expenses and the payment of taxes and charges.

Expense recovery fee

Under the terms of the governing rules, the trustee may recover these outgoings from your Plan subject, generally to an agreement with your employer.

Or the trustee may instead charge an expense recovery fee of up to 1.00% per annum on the value of your super account balance. The trustee does not currently charge an expense recovery fee, but reserves the right to do so in the future. This expense recovery fee is a different fee to the expense allowance described earlier in this section of the Booklet.

Where the trustee starts charging an expense recovery fee, the costs applicable to the relevant investment option may increase. We will write to notify you, at least 30 days before such an increase.

Switching fees

The trustee is also entitled to charge members a switching fee of up to \$605.30 (indexed annually) for each switching request received.

The trustee does not currently charge a switching fee or an expense recovery fee but reserves the right to do so in the future. We will write to notify you, at least 30 days before such fees are charged.

FEE CHANGES

Indexation of fees

Exit, dollar based administration, portfolio administration (for the Mercer Direct investment option) and family law fees are indexed annually on 1 January to Average Weekly Ordinary Time Earnings (see 'Fees and other costs table'). The indexed fees for 1 January 2019 are set out in this Booklet. The next indexation will occur on 1 January 2020.

The portfolio administration fee is indexed in increments of \$5.00 only where the cumulative increase since the previous indexation is \$4.00 or more.

Fee increases

In addition to indexing fees, the trustee has the right to increase fees at any time, without your prior consent, subject to the maximum fees set out below. Fees may increase due to changes in economic conditions, or Government regulations, supplier charges increases, or a substantial reduction in the size of your Plan. We will give you at least 30 days written notice of any such increase in fees.

Where there is a materially adverse change to the fees the PDS and this Booklet will be updated. Where the change is not materially adverse, the change will be detailed on the website mercersuper.com

MAXIMUM FEES

Under the Plan rules, the trustee has the right to charge maximum fees as follows:

- a dollar based administration fee of \$19.35 (indexed annually) per member per month
- for investment options established before 1 July 2005, investment fees and asset based administration fees together not exceeding 2.50% per annum of your super account balance
- for investment options established on or after 1 July 2005, investment fees and asset based administration fees together not exceeding 4.00% per annum of your super account balance (see the 'Breakdown of fees and other costs table' for details of those investment options where a combined maximum fee of 4.00% per annum applies)
- an exit fee of \$605.30 (indexed annually) for each payout made from your Plan
- an expense recovery fee of 1.00% per annum of your super account balance, and
- a switching fee of \$605.30 (indexed annually) for each switching request received.

The trustee has chosen to forego these maximums for the fees charged (if any) as shown in the 'Fees and other costs table' and 'Breakdown of fees and other costs table' above. Any future fee increases will be within these maximum limits.

GST

The GST disclosures in this Booklet are of a general nature only.

GST is not payable on units purchased in the Mercer Super Trust. However, fees payable in respect of the management of the Mercer Super Trust are subject to GST, as described below.

GST applies to all fees charged to the Mercer Super Trust. Generally, the Mercer Super Trust cannot claim full input tax credits in respect of these fees, but will usually be entitled to reduced input tax credits (currently up to 75% of the GST paid) in respect of some of these fees. As a result, the fees payable to us including GST are higher than those disclosed in this Booklet.

Any fees payable to us as set out in this Booklet approximate the net cost of these fees (after GST) and assume that reduced input tax credits are available.

The Brokerage fee for the Mercer Direct investment option set out in this Booklet is shown including GST.

TAX AND YOUR SUPER

See 'How Super is Taxed' later in this Booklet for more details about super tax. See the *Mercer Direct Member Guide* for more information about taxes on amounts invested in the Mercer Direct investment option. You can download the *Mercer Direct Member Guide* at mercersuper.com/documents

FURTHER INFORMATION

The trustee does not retain for its own use any profit made on the netting of transactions (even though the governing documents permit it to do so) and has no intention to do so in the future.

The trustee may retain for its own use any interest earned on contributions tax from the date it deducts an amount for this tax to the date it pays it to the ATO.

DEFINED FEES

Definitions of the various fee types referred to in this section are listed below:

Activity fees

A fee is an activity fee if:

- (a) the fee relates to costs incurred by the trustee of the Mercer Super Trust that are directly related to an activity of the trustee:
 - (i) that is engaged in at the request, or with the consent of a member; or
 - (ii) that relates to a member and is required by law; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

Administration fees

An administration fee is a fee that relates to the administration or operation of the Mercer Super Trust and includes costs that relate to that administration or operation, other than:

- (a) borrowing costs; and
- (b) indirect costs that are not paid out of the Mercer Super Trust that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the Mercer Super Trust or in an interposed vehicle or derivative financial product; and
- (c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Advice fees

A fee is an advice fee if:

- (a) the fee relates directly to costs incurred by the trustee of the Mercer Super Trust because of the provision of financial product advice to a member by:
 - (i) a trustee of the Mercer Super Trust; or
 - (ii) another person acting as an employee of, or under an arrangement with, the trustee of the Mercer Super Trust; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

Buy-sell spreads

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the Mercer Super Trust in relation to the sale and purchase of assets of the Mercer Super Trust. Refer to 'Transactional and operational costs' earlier in this Booklet for details of the buy-sell spreads applicable to specific investment options.

Exit fees

An exit fee is a fee to recover the costs of disposing of all or part of members' interests in the Mercer Super Trust.

Indirect Cost Ratio

The Indirect Cost Ratio (ICR), for the Mercer SmartPath investment option or any other investment option offered by the Mercer Super Trust, is the ratio of the total of the indirect costs for the Mercer SmartPath investment option or any other investment option, to the total average net assets of the Mercer Super Trust attributed to the Mercer SmartPath investment option or any other investment option.

Note: A fee deducted from a member's account or paid out of the Mercer Super Trust is not an indirect cost.

Refer to 'Indirect Cost Ratio' earlier in this section of this Booklet for further details.

Insurance fees

A fee is an insurance fee if:

- (a) the fee relates directly to either or both of the following:
 - (i) insurance premiums paid by the trustee of the Mercer Super Trust in relation to a member of the Mercer Super Trust;
 - (ii) costs incurred by the trustee of the Mercer Super Trust in relation to the provision of insurance for a member of the Mercer Super Trust; and
- (b) the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- (c) the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

Investment fees

An investment fee is a fee that relates to the investment of the assets of the Mercer Super Trust and includes:

- (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees*); and
- (b) costs that relate to the investment of assets of the Mercer Super Trust, other than:
 - (i) borrowing costs; and
 - (ii) indirect costs that are paid out of the Mercer Super Trust that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the Mercer Super Trust or in an interposed vehicle or derivative financial product; and
 - (iii) costs that are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

** There are currently no performance fees included in the investment fees. This is because the trustee does not directly charge or incur any performance fees. Where an external investment trust or manager (that is used to invest the assets of an investment option) charges a performance related fee, these fees form part of the ICR of the relevant investment option. Refer to the 'Performance related fees' section earlier in this Booklet for further details.*

Switching fees

A switching fee for a MySuper product applicable to your Plan in the Mercer Super Trust means a fee to recover the costs of switching all or part of a member's interest in the Mercer Super Trust from one class of beneficial interest in the Mercer Super Trust to another.

A switching fee for superannuation products, other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the Mercer Super Trust from one investment option or product in the Mercer Super Trust to another.

CONTRIBUTIONS

This section is about contributions to super.

WHAT YOUR EMPLOYER CAN CONTRIBUTE INTO YOUR SUPER

By law, your employer has to pay a minimum amount into super called the Superannuation Guarantee (SG). Your employer can satisfy this obligation by contributing on your behalf to your Plan.

The SG is 9.50% of Ordinary Time Earnings (OTE) where OTE is capped at the maximum contribution base. The maximum contribution base is currently \$54,030 a quarter for the year ending 30 June 2019 and is indexed on each 1 July. The SG, as a percentage of OTE, is currently scheduled to increase as set out in the table below:

Period	Percentage of OTE
From 1 July 2021 to 30 June 2022	10.00%
From 1 July 2022 to 30 June 2023	10.50%
From 1 July 2023 to 30 June 2024	11.00%
From 1 July 2024 to 30 June 2025	11.50%
From 1 July 2025	12.00%

OTE is generally remuneration including regular salary or wages, any over-award payments, shift allowances, bonuses and commissions. It generally does not include overtime payments or benefits subject to fringe benefits tax.

The SG is the amount the employer must provide for each employee, not a minimum amount to be contributed to each fund. Your employer may provide the SG through more than one fund.

There are some circumstances where your employer is not required to meet the SG.

DOWNSIZER CONTRIBUTIONS

From 1 July 2018, you may be able to contribute some or all of the proceeds of the sale of your main residence into super. For more information, see our Contributions fact sheet at mercersuper.com/documents

WHAT YOU MAY PUT INTO YOUR SUPER

If you have joined the Individual Section of your Plan directly, meaning you have not been automatically transferred from an employer plan in the CSD, then to open your account you must invest a minimum amount of \$1,000.

Once you are a member of the Individual Section, you can put extra money into super at any time. You can do this to save more for retirement or to save for a deposit under the First Home Super Saver Scheme (FHSSS).

There are limits on the level of contributions that have concessional tax rates and some contributions cannot be accepted until we receive your Tax File Number (TFN).

Any contributions must be preserved (early release may be permitted in certain circumstances, such as under the FHSSS). For more details about preservation, see the *Accessing Your Super* fact sheet available at mercersuper.com/documents

You can make regular contributions by direct deductions from your after-tax salary.

You can also make after tax contributions via BPAY®. If you wish to make after tax contributions, sign in to the Mercer Super Trust website using your personal login. You can then obtain your BPAY® Biller Code and Personal Reference Number. Or call the Helpline for details. If you wish to make a Downsizer contribution (using the proceeds of the sale of an eligible residence after you are 65), contact the Helpline for details of how to do this.

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You may be able to claim a tax deduction for some or all of any after tax contributions you make. You cannot claim a tax deduction for Downsizer contributions.

YOU CAN PUT IN EXTRA FROM YOUR BEFORE TAX SALARY

You can make regular personal contributions on a before tax or salary sacrifice basis, as long as you have your employer's approval.

Depending on your situation, salary sacrificing into super may save you tax. You don't generally pay personal income tax on the part of your salary that's going into super. Instead your contributions are generally taxed at a concessional rate which may be lower than your personal income tax rate.

We recommend you speak to a licensed, or appropriately authorised, financial adviser before choosing to contribute on a salary sacrifice basis.

MINIMUM ACCOUNT BALANCE

The trustee requires that your super account balance in the Individual Section remains above \$500 at all times. If your super account balance falls below \$500, your super may be transferred to the SuperTrace Eligible Rollover Fund. You will be advised if this applies to you. You can make further contributions or provide instructions for the payment of your super to another approved superannuation arrangement within 30 days of being requested.

CONTRIBUTION SPLITTING

Contribution splitting allows members to split their super contributions with their eligible spouse (see below) and transfer the eligible contributions to an account in the name of their eligible spouse in a complying superannuation fund.

An eligible spouse must not have permanently retired (if past their preservation age) or reached age 65 and includes:

- your husband or wife
- another person (whether of the same sex or not) with whom you are in a registered relationship, or
- another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

You will generally be able to request a contribution split of up to 85% of concessional contributions as long as you maintain a super account balance of at least \$5,000.

Any contributions that you split will continue to be counted towards your concessional contribution limit.

Contributions that cannot be split

You cannot split:

- contributions over the concessional contribution limit, untaxed contributions including member contributions (but excluding contributions for which you have advised the trustee that you are claiming a tax deduction or salary sacrifice contributions), eligible spouse contributions and amounts contributed by the Government
- amounts rolled over or transferred into the Mercer Super Trust
- lump sum payments from an overseas super fund
- notional contributions relating to a member's defined benefit, and
- contributions that legislation restricts or prohibits splitting. You will be advised when you request a split if this applies to you.

When you can split contributions

You can request to split all or part of a previous financial year's contributions i.e. contributions from 1 July to 30 June, once that financial year is over. You have up to 12 months from the end of that financial year to request a contribution split.

If you leave the Plan before the 12 months is over, the trustee must receive your request to split contributions on or before the time that your super is paid out, rolled over or transferred to another super fund.

You may also be able to split contributions made in the financial year of your super payout. You will need to provide your request to split contributions to the trustee on or before the time that your super is paid out, rolled over or transferred to another super fund.

Only one split of contributions for a financial year is permitted.

The exit fee for any payout from the Individual Section of your Plan will apply whenever we split a contribution to your spouse's account while you are a member of your Plan.

To request a contribution split, you must complete the correct form, which is available on mercersuper.com (sign in using your personal login) or by calling the Helpline.

We recommend you seek advice from a licensed, or appropriately authorised, financial adviser before making any decision about contribution splitting.

Contribution splitting after transfer to the Individual Section

If your super is transferred from an employer plan in the CSD to the Individual Section, you will, subsequent to your transfer, be able to split eligible contributions made while you were a member of your employer plan in the CSD, as well as those made while you were a member of the Individual Section. However, you can only split contributions made in the previous financial year.

If you leave the Mercer Super Trust, you can split contributions made in the financial year you leave. You will need to provide your request to split contributions to the trustee on or before the time your super is paid out, rolled over or transferred to another super fund.

TAX ON CONTRIBUTIONS

Tax may be payable on super contributions made by you or on your behalf, or where those contributions exceed certain annual limits.

See later in this Booklet for more details about 'How Super is Taxed'.

CONSOLIDATING YOUR SUPER ACCOUNTS

You may rollover super money from other funds into the Mercer Super Trust.

If you've had other jobs, you may have multiple super accounts. You can choose to roll all your super accounts into your Mercer Super Trust account. This could improve your super investment overall as you'll only be paying one set of fees and handling one set of paperwork. You should discuss the benefits of rollovers with a licensed, or appropriately authorised, financial adviser.

You can complete an online rollover request at mercersuper.com (sign in using your personal login) or we will help you roll in your super over the phone. We will contact your other super fund(s) for you. Call the Helpline if you need any help.

Generally, there's no charge for receiving money rolled in from other funds, although you should check with your other funds to see if there are any withdrawal or exit fees.

You should also consider the impact that leaving a fund may have on any insurance cover you have, including the amount and cost of cover.

If you roll in preserved money, it stays preserved in the Mercer Super Trust.

TAX OFFSET

You may be eligible for the Low Income Superannuation Tax Offset (LISTO). The level of LISTO depends on your income and your total concessional contributions for the financial year. For more information, see the *Government Contributions* fact sheet available from mercersuper.com/documents

GOVERNMENT CO-CONTRIBUTION

You may be eligible for the Government co-contribution if you make undeducted personal after-tax contributions to a super fund. The level of Government co-contribution depends on your income and the undeducted personal after tax contributions you make during the financial year.

For more information see the *Government Contributions* fact sheet available from mercersuper.com/documents

WHEN THE TRUSTEE CAN'T ACCEPT CONTRIBUTIONS

The trustee is unable to accept contributions made for or by you:

- if you have not provided your TFN (unless the contribution has been made by your employer, or
- if you are aged 65 or more and have not met the work tests as set by the Government (this is not applicable to Downsizer contributions).

If you have not met these conditions, any contributions received will be returned to you, or the person or organisation (including where applicable your employer) which contributed. The returned amount will generally not form part of your super account balance.

For more details, see the *Contributions* fact sheet available from mercersuper.com/documents

PAYING YOUR BENEFITS

This section explains some of the regulations about the payment of your super benefit.

SUPER AND PRESERVATION

Government legislation is designed to ensure that you generally use your super for retirement and restricts the access to your super. There are three super payout categories:

- unrestricted non-preserved super payouts
- preserved super payouts, and
- restricted non-preserved super payouts.

The unrestricted non-preserved amount (if any) is the part of your super payout that can be paid in cash at any time.

Preserved or restricted non-preserved payouts, which may include insurance proceeds from a Total and Permanent Disablement claim, must be kept in a superannuation fund or other approved superannuation arrangement and can only be accessed according to conditions imposed under superannuation law. Access conditions include allowing releases under the FHSSS.

Your member statement will provide details about the relevant category for each portion of your super. Contact the ATO for information about the amount you may be able to access under the FHSSS.

For more information, see the *Accessing Your Super* fact sheet available from mercERSUPER.COM/DOCUMENTS

This fact sheet also includes details about:

- conditions for accessing preserved or restricted non-preserved super, and
- your preservation age (i.e. the age at which your preserved super can be paid to you in cash if you permanently leave work).

PAYING YOUR SUPER IF YOU LEAVE AUSTRALIA

You may be eligible to access your super and have it paid directly to you after you have left Australia as long as:

- you entered Australia on a temporary visa
- your temporary visa has expired or been cancelled, and
- you are not an Australian or New Zealand citizen or an Australian permanent resident.

Call the Helpline for more details about:

- how to make an application to the trustee for the release of your super for the reasons listed above, and
- what will happen to your super if you make such an application.

The trustee may be required to transfer your super to the Australian Taxation Office (ATO) if at least six months has passed since the expiry or cancellation of your temporary visa and you have left Australia and have not claimed your super from your Plan.

If this happens, you will need to contact the ATO to claim your super, which will be paid to you subject to the deduction of tax. The ATO will provide the trustee with details of the members who can have their super transferred in these circumstances.

Tax rates on super payouts to a temporary resident who has left Australia are higher than those which apply to Australian permanent residents or Australian and New Zealand citizens.

Interest (or investment earnings) in respect of super for temporary residents is not paid on amounts paid by the ATO (except in certain limited circumstances).

The transfer to the ATO can be required even if you are still employed by your Australian employer. Call the Helpline if your benefit has been transferred to the ATO and you need help to prove to the ATO that you are entitled to that benefit.

In most cases, the trustee is required to provide a member with an exit statement when their benefit has been paid out of the fund. However, the Australian Securities and Investments Commission (ASIC) has provided trustees with relief from this requirement where benefits are paid to the ATO. This relief has been granted because most temporary residents do not advise the trustee of their overseas address details. The trustee intends to rely on this relief. This means that the trustee is not obliged to notify or give an exit statement to a non-resident where a benefit has been transferred to the ATO.

UNCLAIMED MONEY

We will consider your payout as unclaimed money and send it to the ATO if:

- you are over age 65 and we have received no contributions or rollovers in the last two years, and
- we have been unable to contact you for a period of five years.

We may also be required to transfer your account balance to the ATO if:

- no contributions or rollovers have been received for more than 12 months, and
- we have not been able to contact you and your account balance is less than \$6,000, or
- if we do not have enough information to properly identify you.

You can approach the ATO directly to claim any such money.

LOST MEMBERS

We may transfer your super to the SuperTrace Eligible Rollover Fund (SuperTrace) if:

- we've written to you twice
- this mail has been returned unclaimed both times, and
- you are under age 65.

You will no longer be a member of the Mercer Super Trust and any insurance cover you may have had through the Plan will cease if your super is transferred to SuperTrace.

See 'About Mercer Super Trust's Eligible Rollover Fund' later in this Booklet for more details.

FAMILY LAW

Government legislation allows married and de facto* couples (including same sex couples) to make binding agreements or get court orders to determine how each partner's super will be divided if their marriage or relationship breaks down.

Law also gives the Family Court a say in dividing a couple's super if a marriage or relationship breaks down.

*Restrictions may apply where a de facto relationship has existed for less than two years. Restrictions also apply in respect of de facto couples in Western Australia. Currently the Commonwealth laws about de facto couples do not apply in Western Australia.

Under the Family Law Act, the trustee needs to provide certain information about a member's super payout to eligible persons where the information is required to negotiate a superannuation agreement or to help with a court order. An eligible person under the Act includes a member, the spouse of a member or any person who intends to enter into a superannuation agreement with the member.

We may need to adjust your super payout to reflect any agreements or court orders that may be binding on the trustee. We will advise you about any fee for a request related to the Family Law Act in respect of your super payout.

Call the Helpline about Family Law matters affecting your super in the Mercer Super Trust.

ANTI-MONEY LAUNDERING

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AMLCTF Act), superannuation funds have to identify, monitor and mitigate the risk that the Plan may be used for the laundering of money or the financing of terrorism. Because of this, you may be required to provide satisfactory proof of your identity to the trustee before you withdraw your benefit. You may also need to provide satisfactory proof of identity to satisfy other legal requirements.

At a minimum, you may need to provide the trustee with evidence that verifies your full name, date of birth or residential address. This would usually be in the form of a certified copy of your driver's licence or passport. We may be unable to process your payment request unless we receive this information in appropriate form.

Under the AMLCTF Act, we may need to undertake additional identification checks and monitor transactional activity. We may also need to block or suspend transactions. The trustee will not be liable for any loss suffered by you if there is any delay in making a payment that has been caused by or contributed to by the need to comply with the AMLCTF Act or other legislative requirements.

By law the trustee is also required to comply with confidential reporting obligations to the AMLCTF Act regulator, Australian Transaction Reports and Analysis Centre (AUSTRAC).

RECEIVING YOUR BENEFITS

This section includes information about what generally happens to your benefits and insurance cover when you leave your Plan.

You have accumulation style super. Your super account balance is made up of:

- amounts contributed to your account by you or your employer or in respect of you

plus

- any money you transfer in from other super funds

less

- taxes and surcharges, fees, expenses, insurance premiums and amounts paid out to or for you

plus

- investment earnings (which can be positive or negative).

Your member statement explains how your super has performed throughout the previous year.

Taking a partial payout

You may be able to access all or part of your unrestricted non-preserved component of your super at any time as a cash payment (subject to maintaining a minimum account balance of \$500 if you are making a partial cash withdrawal). Your member statement will show if you have any such unrestricted non-preserved amounts.

You may also apply to have all or part of your super account balance rolled over to another complying superannuation arrangement (subject to maintaining a minimum account balance of \$500 if you are making a partial withdrawal).

Contact the Helpline for more details on taking a partial payout.

Transfer to the Allocated Pension Division

When the time comes to receive your super payout, you can choose to transfer to the Allocated Pension Division (APD) of the Mercer Super Trust (if eligible). Through the APD you can receive your payout in the form of a regular income, while generally staying invested in your chosen investment options.

You can choose to transfer all or part of your super to the APD as a Transition to Retirement Allocated Pension.

Before deciding to invest in the APD, you should read the current Product Disclosure Statement for the APD and seek advice from a licensed, or appropriately authorised, financial adviser. You will also need to complete an application form.

If you would like a copy of the current Product Disclosure Statement for the APD, call the Helpline.

Super worth less than \$500

You may be asked to notify the trustee where you would like us to transfer your super account balance (net of an exit fee) if your super account balance falls below \$500.

When requested, you need to tell the trustee where you would like us to transfer your super account balance, net of an exit fee, within 30 days. This must be another approved superannuation arrangement. You may take in cash any unrestricted non-preserved amounts.

If the trustee does not hear from you within 30 days from the time we notify you in writing of your super account balance falling below \$500, it is the trustee's intention to transfer your super account balance to an Eligible Rollover Fund (ERF). This means that your future payout will come from the ERF and you will no longer have any rights under the Mercer Super Trust.

We will advise you in writing when we transfer your super to the ERF. The Mercer Super Trust uses the SuperTrace Eligible Rollover Fund (SuperTrace).

See further on in this Booklet for more information about SuperTrace.

Any insurance cover you have in the Individual Section stops from the date your super account balance is transferred from your Plan. Any insurance premiums regularly deducted from your super account balance will also stop on the same date. You may have the option of continuing your Death cover under a personal policy with your Plan's insurer. See the *Insurance* Booklet for further details.



Looking for financial advice?

Call **1800 702 993** to speak to a Mercer financial adviser if you are leaving the Individual Section and need financial advice.

INSURANCE IN YOUR SUPER

This section describes insurance eligibility and the type, amount and cost of insurance cover available in the Individual Section. You should read it in conjunction with the *Insurance* booklet for the Individual Section which describes the terms and conditions of your insurance cover in the Individual Section.

See the Glossary in the *Insurance* booklet for the Individual Section for definitions of more insurance terms.

YOUR SUPER PAYOUT MAY INCLUDE INSURANCE

You will be entitled to a super payout if you die or become totally and permanently disabled while a member of the Individual Section. This super payout comprises:

- your super account balance, and
- any insurance amount received.

We will reduce your super payout if, for some reason, the trustee cannot arrange cover for you on standard terms or if the insurer does not pay out all or part of the insured part of your super.

WHAT INSURANCE COVER IS AVAILABLE

The insurance cover generally available under the Individual Section, if you are eligible, is:

- Death (including Terminal Illness) cover, and
- Total and Permanent Disablement (TPD) cover.

YOUR INSURER

The trustee has appointed AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (referred to as the Insurer throughout this Booklet) to provide the insurance for the Individual Section. The trustee's umbrella insurance policy provides this insurance subject to the terms and conditions of the insurance policy issued by the Insurer to the trustee. The terms and conditions of the insurance policy will prevail if there is any inconsistency between the insurance policy and the information about your insurance cover in the Individual Section as described in this Booklet and the *Insurance* booklet for the Individual Section.

The trustee has the right to change the Insurer again in future.

CONDITIONS APPLY TO YOUR INSURANCE COVER

Like most forms of insurance, some conditions (and exclusions) apply to the granting or payout of your insurance cover. See a description of the conditions (and exclusions) that apply to the insurance cover available through the Individual Section in this section of the Booklet and the *Insurance* booklet for the Individual Section.

You must be an Australian Resident to be eligible for insurance cover through the Individual Section.

You'll be covered 24 hours a day, seven days a week up to your Cover Expiry Age if you:

- have been automatically transferred from an employer plan in the Corporate Superannuation Division (CSD) (including the Mercer SmartSuper Plan) and you meet the required eligibility conditions, or
- choose to apply for insurance cover, only available if you are aged less than the Cover Expiry Age set out below and are accepted for insurance cover (and you remain eligible for insurance cover).

COVER EXPIRY AGE

The insurance cover in the Individual Section will expire depending on your age and the type of insurance cover you have.

Insurance Cover Basis	Cover Expiry Age	
	Death	TPD
Insured amount based on units of cover	65	65
Insured amount not based on units of cover	80	75

UNDERWRITING

Underwriting is a process where the Insurer considers your application for cover by taking into account your lifestyle, current health, financial details, past medical history and your family medical history. To start this process, you will generally be required to complete a personal statement. The Insurer may ask you for further information based on their findings. The Insurer may accept, decline or impose special conditions (such as an exclusion, restriction or premium loading) for the amount of cover that is subject to underwriting.

Where underwriting applies you will be advised of the date your cover starts if the Insurer accepts your application.

DEATH (INCLUDING TERMINAL ILLNESS) AND TPD COVER

All members are generally eligible for Death (including Terminal Illness) and TPD cover.

Terminal Illness cover is linked to your Death cover and the insured amount is based on the same acceptance terms (such as an exclusion, restriction or premium loading) and maximum benefit amount.

A Terminal Illness benefit (described in detail in the Glossary in the *Insurance* booklet for the Individual Section) is an advance payment of your Death benefit.

WHICH TPD DEFINITION APPLIES TO YOU?

The TPD definition is set out in the Glossary in the *Insurance* booklet for the Individual Section. You will be assessed on a Full TPD definition*, a Limited TPD definition or in some cases, a mixture of both based on:

- the hours you are working at the date of your disablement, and
- the amount of TPD insurance cover you have, and
- your age at the date of disablement.

If you are working 15 hours or more per week

Your TPD cover will be subject to the Full TPD definition* up to age 60.

On and from age 60 up to age 70, both the Full TPD definition* and the Limited TPD definition will apply to your TPD cover in varying proportions subject to the details below.

The portion of your TPD cover that will be subject to the Full TPD definition*, will be reduced by 1/120th times the number of months (i.e. 10% per year) since your 60th birthday. The remaining portion of your TPD cover will be subject to the Limited TPD definition. For example at age 62, 80% of your TPD cover would be subject to the Full TPD definition* and the remainder (20%) would be subject to the Limited TPD definition.

* In some circumstances, the Limited TPD definition may apply – see 'Maximum benefit amount' later in this section.

Your TPD cover will be subject to the Limited TPD definition from age 70 to age 75.

Your TPD cover will be nil from age 75.

If you are working less than 15 hours per week.

Your TPD cover will be subject to the Limited TPD definition.

MAXIMUM BENEFIT AMOUNT

If you do not have any existing insurance cover in the Individual Section, then:

- the maximum amount of Death cover is unlimited up to your Cover Expiry Age, and
- the maximum amount of TPD cover is:
 - up to your 65th birthday, \$5 million for TPD where any amount above \$3 million is based on the Limited TPD definition.
 - from your 65th birthday up to your 70th birthday, \$3 million, and
 - from your 70th birthday up to your 75th birthday, \$250,000 where the total amount is based on the Limited TPD definition.

In addition, if you have existing insurance cover in the Individual Section, then the maximum amount of Death and TPD cover is the greater of:

- your existing amount of cover, or
- your new automatically transferred cover, or
- the combined amount of your existing and new automatically transferred cover, limited to \$2 million.

The total amount of TPD cover you have must not exceed the maximum benefit amount applicable to your age group when combined with any other TPD cover you may already have in the Mercer Super Trust. This means that, if you had a condition giving rise to a TPD claim, the maximum benefit amount you may be paid from the Mercer Super Trust as a result of this condition is subject to the overall maximum benefit amount for your age group.

In this case, Mercer Super Trust means any plan or plans within the CSD (including the Mercer SmartSuper Plan) and the Personal Superannuation Division insured with the Insurer.

MEMBERS TRANSFERRED AUTOMATICALLY FROM THE CSD TO THE INDIVIDUAL SECTION WHO HAD INSURANCE COVER IN THE CSD

The dollar amount of your:

- Death cover (including Terminal Illness) if you are under age 80, and
- TPD cover, up to the maximum benefit amount (if you are under age 75 at the time your cover starts in the Individual Section)

in your employer's plan in the CSD may be transferred to the Individual Section if and when your super account balance is automatically transferred to the Individual Section. The amount of your transferred insurance cover is subject to the Maximum Benefit Amount detailed earlier.

Your insurance cover will automatically transfer from your employer's plan in the CSD to the Individual Section if:

- your super payout is automatically transferred to the Individual Section on stopping work with your employer or Exercising Choice,
- you are no longer eligible for cover under your employer's plan in the CSD,
- you must be aged less than 80 for Death cover and less than age 75 for TPD cover, and
- an insurance benefit must not have been paid or become payable to you from your employer's Plan in the CSD.

If eligible, your insurance cover will start on:

- the 61st day after you stopped work with your employer or you Exercised Choice – if your insurance cover in your employer's plan in the CSD was under the trustee's umbrella policy*, or
- the later of the day after you stopped work with your employer or Exercised Choice, or the day your extended cover ends – if your insurance cover in your employer's plan in the CSD was not under the trustee's umbrella policy.

*The 'insurance in your super' section in the Plan Guide that applied to your employer's plan in the CSD will advise if your insurance cover was under the trustee's umbrella policy.

However, the following conditions apply:

- if you leave your employer or Exercise Choice due to injury or illness, then you are not eligible to be paid a TPD benefit in the Individual Section for the same injury or illness (or any directly or indirectly related condition arising from the injury or illness) which has caused you to Exercise Choice or stop working with your employer.
- your Death (including Terminal Illness) and TPD cover in the Individual section will be limited to New Events Cover only if:
 - your insurance cover in your employer's plan was not insured under the trustee's umbrella policy, and
 - you left your employer due to injury or illness

This limitation will stop on the day after you have been At Work with your new employer for 30 consecutive days. See the *Insurance* booklet for the Individual Section for definition of At Work.

You should advise us directly when you have Death or TPD cover in another plan in the CSD (including the Mercer SmartSuper Plan) insured under the trustee's umbrella insurance policy, in the Individual Section or in the Personal Superannuation Division (now or in the future), as this may affect your ability to take up or retain Death or TPD cover in the Individual Section.

Satisfactory evidence of your good health, financial details and other evidence will not be required. However, any restrictions, exclusions or premium loading that applied to your Death or TPD cover in your employer's plan will generally continue to apply in the Individual Section.

The terms and conditions for insurance cover in the Individual Section are different (the cost is generally higher) than in your employer's plan.

Premiums will start being deducted from your super account balance in the Individual Section from the 61st day after you stopped work with your employer or you Exercised Choice, even if your cover in the Individual Section starts before this. This will apply even if your employer doesn't notify us that you have stopped work or Exercised Choice until after the date that premiums should have started to be charged.

Applying for or changing your insurance cover

You can apply to, increase, opt out, or reduce your Death only or Death and TPD cover at any time. You can change your cover in multiples of \$1,000. However, your TPD cover cannot be greater than your Death cover. Your Death and TPD cover will be subject to the Maximum Benefit Amount detailed earlier.

Any increase in Death and TPD cover will be subject to underwriting and will only start once the Insurer accepts your application.

You will be provided with interim accidental cover while the Insurer assesses your application. Refer to 'Interim accidental cover' in the *Insurance* booklet for the Individual Section for details.

We will advise you of the date your increased cover starts if the Insurer accepts your application for increased cover.

You should advise us immediately if you do not wish to have any Death and TPD cover, or would like a reduced amount of Death and TPD cover.

You will be subject to underwriting before you are provided with insurance cover or increased cover if you cancel or opt out or reduce your cover and then subsequently change your mind. You can cancel or opt out of your TPD cover only, but you cannot cancel or opt out of your Death cover only and keep your TPD cover.

You will not be able to re-apply under the same insurance basis if you cancel or opt out of your insurance cover that was automatically transferred from your employer's plan in the CSD and then you subsequently want to re-apply. However, you will be able to re-apply for insurance cover as described in the 'Members automatically transferred from the CSD with no existing insurance or members who apply directly to the Individual Section' below.

To change your insurance cover, call the Helpline to request the relevant form or download the form from [mercersuper.com](https://www.mercersuper.com) (sign in using your personal login).

Annual cost of insurance cover

The 'Death and TPD premium rate table – Individual Section' shows premium rates per age next birthday and gender.

To work out your cost of cover

- look up your age next birthday in the left hand column

then

- multiply the figure in the applicable right hand column (according to your type of cover and gender)

then

- divide by 1,000

How we calculate and deduct cost of cover

We calculate and deduct the cost of insurance cover from your super account each month, based on 1/12th of your annual cost.

The cost of any insurance cover that automatically transferred from your employer's plan in the CSD (including the Mercer SmartSuper Plan) will only start to be deducted from your super account in the Individual Section as detailed earlier in this Booklet.

We will deduct the cost of any increased insurance cover from your super account from the date this increased insurance cover has been accepted by the Insurer and has started in the Individual Section.

Death and TPD premium rate table – Individual Section

Age next birthday	Annual premium for \$1,000 of Death only cover (\$)		Annual premium for \$1,000 of Death and TPD cover (\$)	
	Male	Female	Male	Female
15	0.47	0.24	0.57	0.33
16	0.58	0.24	0.65	0.36
17	0.69	0.30	0.76	0.39
18	0.85	0.35	0.90	0.43
19	0.98	0.38	1.00	0.52
20	1.00	0.40	1.01	0.53
21	0.96	0.40	0.98	0.53
22	0.90	0.38	0.95	0.52
23	0.88	0.37	0.93	0.50
24	0.83	0.35	0.89	0.45
25	0.78	0.34	0.84	0.43
26	0.75	0.33	0.81	0.43
27	0.72	0.33	0.79	0.43
28	0.69	0.33	0.77	0.43
29	0.69	0.33	0.77	0.45
30	0.69	0.33	0.78	0.46
31	0.69	0.34	0.81	0.47
32	0.69	0.34	0.81	0.48
33	0.69	0.35	0.82	0.50
34	0.69	0.35	0.89	0.51
35	0.74	0.38	0.93	0.53
36	0.75	0.41	0.97	0.57
37	0.78	0.45	1.03	0.65
38	0.82	0.51	1.10	0.75
39	0.88	0.58	1.19	0.85
40	0.96	0.64	1.33	0.99
41	1.03	0.72	1.44	1.15
42	1.10	0.76	1.59	1.26
43	1.19	0.83	1.73	1.39
44	1.27	0.88	1.93	1.49
45	1.41	0.90	2.14	1.61
46	1.51	0.96	2.39	1.71
47	1.61	1.02	2.64	1.85
48	1.75	1.09	2.93	2.03
49	1.91	1.16	3.27	2.24
50	2.06	1.27	3.60	2.49
51	2.29	1.41	4.09	2.82
52	2.50	1.60	4.56	3.25
53	2.77	1.81	5.15	3.69
54	3.03	2.04	5.75	4.15
55	3.31	2.26	6.44	4.66
56	3.63	2.53	7.32	5.28
57	3.99	2.83	8.32	5.97
58	4.38	3.14	9.50	6.90

Age next birthday	Annual premium for \$1,000 of Death only cover (\$)		Annual premium for \$1,000 of Death and TPD cover (\$)	
	Male	Female	Male	Female
59	4.86	3.45	10.91	7.96
60	5.39	3.83	12.55	9.24
61	6.31	4.23	14.74	10.72
62	7.34	4.68	17.19	12.46
63	8.47	5.23	19.98	14.48
64	9.70	5.95	23.09	16.86
65	11.06	6.79	26.56	19.63
66	12.58	7.72	30.22	22.32
67	14.24	8.85	34.20	25.60
68	16.05	10.17	38.55	29.41
69	17.97	11.78	43.17	34.07
70	20.11	13.70	48.30	39.63
71	22.38	15.92	53.75	46.04
72	24.90	18.47	59.80	53.40
73	27.73	21.32	66.59	61.65
74	30.94	24.55	74.30	70.98
75	34.43	28.21	82.68	81.57
76	37.88	32.18	n/a	n/a
77	41.54	36.62	n/a	n/a
78	45.30	41.68	n/a	n/a
79	49.12	47.40	n/a	n/a
80	53.00	53.82	n/a	n/a



Example

Jill has been automatically transferred from her employer's plan in the CSD to the Individual Section. She is 45 years old (46 next birthday). Prior to becoming an Individual Section member, Jill had Death and TPD cover of \$100,000 and has not elected to change this.

From the 'Death and TPD premium rate table – Individual Section' you can see that at age 46 next birthday the annual premium for Death and TPD cover for a female is \$1.71 for every \$1,000 of cover. This means the annual total cost of Jill's cover in the Individual Section is:

$$\$1.71 \times \$100,000 \div 1,000 = \$171.00.$$

MEMBERS AUTOMATICALLY TRANSFERRED FROM THE CSD TO THE INDIVIDUAL SECTION WITH NO EXISTING INSURANCE COVER OR MEMBERS WHO APPLY DIRECTLY TO THE INDIVIDUAL SECTION

You have a choice of any number of units of Death and TPD cover. However, your TPD cover cannot be greater than your Death cover.

See the 'Insured amounts for one unit of cover' table for the dollar amount of cover that each unit provides (depending on your age next birthday).

How to choose cover and your default cover

If you don't make a valid choice you'll be provided with nil units of Death and TPD cover.

You will require underwriting before you can receive any Death and/or TPD cover or any increase in cover. You will also require underwriting if you cancel, opt out, or reduce your cover and then subsequently apply for or increase your insurance cover.

You will be provided with interim accidental cover while the insurer assesses your application. See the *Insurance* booklet for the Individual Section for more information.

We will advise you of the date your cover starts if the Insurer accepts your application.

You can apply for, adjust or cancel or opt out, or reduce your insurance cover at any time. Call the Helpline to request the relevant form or download the form from mercersuper.com (sign in using your personal login).

You can cancel or opt out of your TPD cover only, but you cannot cancel or opt out of your Death cover only and keep your TPD cover.

Annual cost of insurance cover

The 'Death and TPD premium rate table – Individual Section' (refer to previous page) shows premium rates per age next birthday and gender.

To work out your cost of cover

- look up your age next birthday in the left hand column

then

- multiply the figure in the applicable right hand column (according to your type of cover and gender)

then

- divide by 1,000

How we calculate and deduct cost of cover

We calculate and deduct the cost of insurance cover from your super account each month, based on 1/12th of your annual cost.

We will deduct the cost of insurance cover from your super account, from the date the insurance cover has been accepted by the Insurer and has started in the Individual Section.

Insured amounts for one unit of cover

Age next birthday	Insured amount \$
15	50,000
16	50,000
17	50,000
18	50,000
19	50,000
20	50,000
21	55,000
22	60,000
23	65,000
24	70,000
25	75,000
26	75,000
27	75,000
28	75,000
29	75,000
30	77,500
31	77,500
32	80,000
33	80,000
34	82,500
35	82,500
36	85,000
37	87,500
38	90,000
39	92,500
40	95,000
41	100,000
42	100,000
43	97,500
44	95,000
45	92,500
46	90,000
47	85,000
48	80,000
49	75,000
50	70,000
51	65,000
52	60,000
53	53,000
54	47,000
55	41,500
56	36,500
57	31,500
58	27,500
59	24,000
60	20,500
61	18,000
62	15,500
63	13,500
64	11,500
65	10,000
66 and above	0



Example

Jack is 45 years old (46 next birthday) and does not currently have insurance cover in the Individual Section. He decides to take out and has been accepted for 2 units of Death and TPD cover. From the 'Insured amounts for 1 unit of cover' table you can see at age 46 next birthday the value of a unit of cover is \$90,000. His total level of cover is calculated as:

$$2 \times \$90,000 = \$180,000.$$

From the 'Death and TPD premium rate table – Individual Section' you can see that at age 46 next birthday the annual premium for Death and TPD cover for a male is \$2.39 for every \$1,000 of cover. This means the annual total cost of Jack's cover in the Individual Section is:

$$\$2.39 \times \$180,000 \div 1,000 = \$430.20$$

MEMBER COMMUNICATION AND PRIVACY

This section includes information about how we will communicate with you and respect your privacy.

KEEPING YOU INFORMED

To help keep you up to date and informed about your super and the Mercer Super Trust you receive:

- a welcome letter confirming your choices in your Plan
- confirmation of any balances transferred in
- an online *Annual Report* to bring you up to speed on investment performance and what's happened to the Mercer Super Trust and your Plan over the year. You can access the *Annual Report* from [mercersuper.com](https://www.mercersuper.com) or you can request a hard copy free of charge from the Helpline
- an annual member statement showing changes to your super account
- investment updates and member communications to keep you informed
- notification of all material changes or the occurrence of significant events
- an exit statement when you cease to be a member of your Plan, and
- access to a wealth of information and interactive planning tools at [mercersuper.com](https://www.mercersuper.com) (sign in using your personal login).

YOUR PRIVACY IS IMPORTANT TO US

We collect, use and disclose personal information about you in order to manage your superannuation benefits and give you information about your super. We may also use it to supply you with information about the other products and services offered by us and related companies. Call the Helpline if you do not want to receive marketing material.

You can read our Privacy Policy online at www.mercer.com.au/privacy.html or you can obtain a copy by calling the Helpline.

We may not be able to manage your superannuation if you do not provide the personal information we request.

We may sometimes collect information about you from third parties such as your employer, a previous super fund, your financial adviser, our related entities and publicly available sources.

We may disclose your information to various organisations to manage your super, including your employer; the fund's administrator; our professional advisors; insurers; our related companies which provide services or products relevant to your super; any relevant government authority that requires your personal information to be disclosed; and our other service providers that help manage your super.

To manage your super, your personal information will be disclosed to service providers in another country, most likely at our administrator's processing centre in India. Our Privacy Policy lists all other relevant offshore locations.

Our Privacy Policy includes more details about how we deal with your personal information and who you can talk to if you wish to access and/or correct information we hold about you. The policy also includes details about how you may lodge a complaint about the way we have dealt with your information and how we will handle that complaint.

Call the Helpline or write to our Privacy Officer, GPO Box 4303, Melbourne VIC 3001 if you have any other queries about privacy issues.

OTHER KEY INFORMATION

BENEFICIARIES

For the sake of your family, it's important to let the trustee of the Mercer Super Trust know who you would prefer to receive your death benefit if you die while a member of the Mercer Super Trust. For more information about nominating beneficiaries, see the *Beneficiaries* fact sheet available from mercersuper.com/documents

ABOUT MERCER SUPER TRUST'S ELIGIBLE ROLLOVER FUND

The Mercer Super Trust uses the SuperTrace Eligible Rollover Fund (SuperTrace).

SuperTrace Eligible Rollover Fund
ABN 73 703 878 235
Locked Bag 5429
Parramatta NSW 2124

Telephone: 1300 788 750
Fax: 1300 700 353

Website: www.supertrace.com.au

Email: SuperTrace.Member@cba.com.au

The trustee of SuperTrace is Colonial Mutual Superannuation Pty. Ltd. ABN 56 006 831 983 AFSL 235025 (CMS). SuperTrace is administered by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA).

Set out below is a summary of some of the more significant features of SuperTrace (current at the date of this Booklet):

- All assets of SuperTrace are invested in the investment policy (Policy) issued to CMS by CMLA. The Policy is currently invested solely in the Capital Stable Fund in the CMLA No. 2L Statutory Fund. The Capital Stable Fund and the CMLA No. 2L Statutory Fund invest in assets that can fluctuate in value. There is no investment choice available to members;
- The investment objective is to invest in a diversified portfolio of assets expected to generate a mix of income and long-term capital growth with an emphasis on stable returns and a reasonably high level of security;
- Investment returns are credited to members' accounts as an annual crediting rate effective 30 June.;
- An ongoing fee is calculated as a percentage of your share of assets of SuperTrace (net of tax), which is deducted before the crediting rate is applied. For the current fee refer to the SuperTrace PDS;

- SuperTrace is unable to accept contributions from members or their employers; however rollovers from other superannuation funds are permitted; and
- SuperTrace does not provide insurance cover.

For more information, contact a SuperTrace Customer Service Representative on 1300 788 750 between 8.30am and 6pm AEST Monday to Friday or go to www.supertrace.com.au for a copy of their latest Product Disclosure Statement.

SERVICE PROVIDERS TO TRUSTEE

The trustee appoints a number of service providers to help it run the Mercer Super Trust. The main service providers to the trustee include the administrator, the investment consultant, the custodian and your Plan's Insurer.

The administrator, the investment consultant and custodian are paid from the trustee's fee income and their fees are not an additional cost to members.

Call the Helpline for details about the custodian. See below for details about the administrator and investment consultant.

ADMINISTRATOR

Mercer Outsourcing (Australia) Pty Ltd (MOAPL) provides the following administration services to the Mercer Super Trust:

- administration of member records and unit holdings
- daily management of the Mercer Super Trust's operations including accounting
- preparing communications materials, including the Mercer Super Trust's internet site, and
- helpline facilities for members.

INVESTMENT CONSULTANT

The trustee has appointed Mercer Investments (Australia) Limited (MIAL) to advise on the selection, appointment, replacement and ongoing evaluation of investment managers through an implemented consulting arrangement.

TRUSTEE POWERS AND RESPONSIBILITIES

The trustee is responsible for:

- ensuring members' rights and interests are protected
- payment of correct super payouts at the appropriate time
- the proper management of assets, and
- the general operation of the Mercer Super Trust in accordance with the governing documents and applicable legislation.

The trustee has power to invest the assets of the Mercer Super Trust in real and personal property of any nature. The trustee may not borrow money except for temporary borrowing (not exceeding 10% of the value of the assets of the Mercer Super Trust) to pay super entitlements and to settle securities transactions.

The trustee has the right to override any member's investment choices as required by law.

The trustee pays itself a fee out of the fees charged in respect of members.

RETIREMENT OF TRUSTEE

The trustee must retire if it ceases to be qualified to act as trustee of the Mercer Super Trust in accordance with Government regulations. The trustee may also retire at any time by appointing another company to act as trustee in its place. The new trustee must be eligible to act as trustee of the Mercer Super Trust. The directors of the trustee are also subject to Government regulations concerning their eligibility to be directors.

TRUSTEE'S INDEMNITY

Both the trustee and its directors are entitled to be indemnified, out of the assets of the Mercer Super Trust, against all liabilities including losses, costs and expenses that may be incurred in administering the Mercer Super Trust.

Liabilities include any payments to the trustee of any predecessor fund to your Plan for any liabilities incurred by that trustee before the transfer into the Mercer Super Trust.

The operation of the trustee's indemnity may result in a reduction in a super payout.

The indemnity does not apply to:

- liabilities arising out of fraud, dishonesty or intentional or reckless neglect or default, or
- amounts, such as penalties, for which indemnification is not permitted under Government legislation.

PLAN RULES

The governing rules of the Plan include:

- the trust deed that governs the operation of the Mercer Super Trust
- the designated rules covering the general operation of your Plan, and
- the benefit design schedule that sets out the specific details of your Plan.

The governing rules of the Plan together with relevant laws and regulations, set out the rules and procedures under which the Mercer Super Trust and your Plan operate and also set out the trustee's duties and obligations to you.

The governing rules are available on mercersuper.com/documents

AMENDMENTS TO YOUR PLAN AND PLAN RULES

Sometimes the governing rules' provisions need to be amended.

The trustee has the power to amend all or any of the provisions of the trust deed and designated rules.

Any amendment must comply with the restrictions in the trust deed, designated rules and any applicable Government requirements.

The trustee can amend your Plan at any time. Any amendment or variation has to comply with the law and governing rules. Member payouts may be adjusted if the Plan is closed.

CLOSING THE MERCER SUPER TRUST OR YOUR PLAN

The Mercer Super Trust is an indefinitely continuing fund with no fixed termination date. The trustee may terminate the Mercer Super Trust, the CSD or your Plan at any time.

Upon termination, the trustee must:

- realise (i.e. sell or cash out) the property of the Plan, the CSD or Mercer Super Trust (as appropriate)
- discharge all liabilities
- pay the expenses of termination, and
- distribute the balance in accordance with the governing rules of the Plan subject to relevant government legislative requirements.

If your Plan or Mercer Super Trust closes, you will need to tell us where you would like your super paid to, net of any exit fee payable, within 30 days. If you don't tell us what to do within 30 days, your super may be transferred to an ERF. The ERF used by the Mercer Super Trust is SuperTrace. You'll find more information about SuperTrace in this section of this Booklet above.

HOW SUPER IS TAXED

Contributions limits and tax issues can be complex. We have provided a general summary of the way superannuation is taxed based on laws current at 1 January 2019.

The information applies to Australian or New Zealand citizens or Australian permanent residents. If you are an Australian or New Zealand citizen or an Australian permanent resident but are currently not a resident of Australia for tax purposes, different tax rules will apply.

Superannuation is generally taxed at three stages:

- when contributions are received
- when investment income is earned, and
- when super payouts are paid out in cash.

No Tax File Number

If we do not have your TFN:

- you will pay extra tax on employer contributions, salary sacrifice contributions and possibly on your super payout, and
- we cannot accept your personal contributions (including any spouse contributions).

TAX ON CONTRIBUTIONS

The tax paid on super contributions depends on:

- whether the contribution is concessional or non-concessional (described below)
- the amount of the contribution
- whether the trustee has your TFN, and
- your level of income.

The trustee generally deducts tax at the rate of 15%^ on concessional contributions and on some other amounts transferred from overseas funds and certain untaxed Australian funds. Contributions tax is levied on your net contributions after relevant fees and insurance premiums have been deducted. If we accept a taxable contribution into the Mercer Super Trust, we will deduct 15% tax immediately and this deduction will be held until we need to pay it to the ATO.

^ From 1 July 2017, members on incomes (as defined in legislation for this purpose) of \$250,000 or more are also subject to an additional tax of 15% on some or all of their concessional contributions. The ATO assesses this tax separately and will issue you with an assessment notice if applicable.

Concessional contributions

Concessional contributions include Superannuation Guarantee contributions, salary sacrifice contributions, any extra employer contributions (including any employer paid fees or insurance premiums) and personal contributions for which a tax deduction is claimed.

Concessional contributions can also include certain other amounts including notional contributions in respect of defined benefit members, certain amounts allocated by the trustee, certain contributions made by other people (except the member's spouse) for the member and certain transfers from an overseas fund.

Non-concessional contributions

Non-concessional contributions include contributions made from your after-tax salary (unless you claim a tax deduction for these contributions), spouse contributions made for you, certain amounts allocated by the trustee, any concessional contributions over and above the concessional contributions limit (that are not refunded) and some transfers from an overseas fund.

Concessional and non-concessional limits

You will need to pay more tax if your concessional contributions are over a specified limit.

The concessional contribution limit is \$25,000 for the year ending 30 June 2019. From 1 July 2019 you may be entitled to contribute more than the base concessional contribution limit if:

- you have not fully used your annual cap on concessional contributions in the previous five years (but not counting years before 1 July 2018), and
- the combined balance of all your superannuation accounts is less than \$500,000 on 30 June of the previous financial year. Excess concessional contributions will be assessable income and taxed at your marginal tax rate (including Medicare) less 15% to allow for any contribution tax that has already been paid. This will generally result in the same tax being applied as if the excess contribution had been received as salary. An interest charge will also be applied to recognise that the tax on excess contributions is collected later than normal.

You can apply for a refund of any excess concessional contributions made from 1 July 2013 after you receive an assessment from the ATO.

Excess concessional contributions that are not refunded count against the non-concessional contribution limit.

Non-concessional contributions up to a specified annual limit are generally tax-free. The combined balance of all your superannuation accounts (as at 30 June of the previous financial year) will generally determine your non-concessional contribution limit.

Combined balance of all your superannuation accounts at 30 June 2018	Annual non-concessional contribution limit for year ending 30 June 2019
Up to \$1.6 million	\$100,000
\$1.6 million or more	Nil

However, eligible people under age 65 may be able to bring forward up to two years' worth of non-concessional contributions. If you utilised the 'bring forward' option in 2016/17 or 2017/18, a special calculation applies to determine your annual limit(s) for the remainder of the three year period.

Downsizer contributions do not count against the non-concessional contribution limit

If your super contributions go over either the concessional or non-concessional limit, additional tax will usually apply. Excess non-concessional contributions that are not refunded will be subject to tax at 47%.

For more details about contributions and tax, the current annual limits or claiming a deduction for your super contributions, see the *Contributions* fact sheet from mercersuper.com/documents

TAX ON INVESTMENT INCOME

Generally, the trustee is liable to pay tax at a maximum rate of 15% on:

- all investment income
- realised capital gains from assets held for less than 12 months, and
- two-thirds of realised capital gains from assets held for 12 months or more.

A realised capital gain is when an asset is actually sold for more than the original purchase price.

The trustee won't be liable to pay tax on gains received from Mercer Super Trust investments in pooled super trusts and statutory funds of life insurance companies. This is because the pooled super trust or life office would have already deducted tax.

The actual rate at which the trustee pays tax may be reduced below 15% due to the effect of various tax credits (including franking credits) and rebates.

See the *Mercer Direct Member Guide* on mercersuper.com for information about tax for super invested in the Mercer Direct investment option.

TAX ON SUPER PAYOUTS

You may have to pay tax on your super payout when it is paid from the Mercer Super Trust. The actual amount of tax you'll have to pay may depend on:

- your age when your payout is paid
- the type of payout, and
- some other factors including your residency and citizenship status.

Super payouts for Australian or New Zealand citizens or an Australian permanent resident are generally:

- tax free when paid from age 60 (although tax may be payable on some death and temporary disability payouts and FHSSS releases)
- taxable when paid before age 60.

For more information see the *Tax on Lump Sum Super Payouts* fact sheet available from

mercersuper.com/documents



We strongly recommend that you get advice from a licensed, or appropriately authorised financial adviser about how the tax laws affect you, especially if you are considering making large contributions, or retiring. This is because the tax treatment of super can be complex and may change at any time.

You should also get appropriate advice while you build your super.

ENQUIRIES AND COMPLAINTS

PROCEDURES

To make an enquiry or complaint you can:

- call the Helpline on 1800 682 525 from 8am to 7pm AEST Monday to Friday

or

- write to:
Mercer Super Trust
GPO Box 4303
Melbourne VIC 3001

Please include your Plan name and your member number when writing to us

The trustee tries to deal with all matters as soon as possible and generally replies to enquiries within 28 days. However, responses to some complaints may take longer, although the trustee tries to respond within 90 days.

You can generally request a formal reconsideration by the trustee if you have a complaint and you're not satisfied with the response. The trustee always seeks to resolve any complaints to the satisfaction of all concerned and in the best interests of all members of the Mercer Super Trust. However, if you have made a complaint and are not satisfied with the outcome or after at least 90 days has passed, you may take your complaint to an external complaint resolution body.

From 1 November 2018, the external complaint resolution body is the Australian Financial Complaints Authority (AFCA). You can contact AFCA as follows:

- Mail GPO Box 3
Melbourne VIC 3001
- Phone 1800 931 678
- Email info@afca.org.au
- Website www.afca.org.au

Time limits for referring complaints to AFCA may apply for certain types of matters. Please contact AFCA for more details about its requirements and time limits.

COOLING OFF

If you have joined the Individual Section directly you have 14 days after you commence your membership in the Mercer Super Trust during which you can cancel your membership in the Individual Section. This is called the cooling off period.

This 14 day period starts from the earlier of the date you received written confirmation of your membership or 5 days after your application has been accepted. You will lose your right to cool off if you exercise any other rights in respect of the Individual Section within the 14 day period.

If you wish to cancel your membership you must do so in writing to the trustee of the Mercer Super Trust. If you cancel your membership during the cooling off period, the amount refunded will be calculated by reference to the price at which the units would have been acquired if you had acquired them on the day the cooling off right was exercised. The amount refunded will be adjusted to take account of payouts or distributions made to you during your membership, tax and reasonable transaction or administration costs. The amount refunded may more or less than the amount you initially invested.

The refund will be paid in accordance with the following rules:

- any preserved or restricted non-preserved amounts will be transferred to a regulated superannuation fund, approved deposit fund (ADF) or Retirement Savings Account (RSA) nominated by you, and
- any other amounts will be paid as directed by you.

You have one month from notifying us that you want to cancel your membership in the Individual Section to nominate where you want the funds to be transferred.

If no nomination is received or your nominated superannuation entity does not accept the nomination, the refundable amount may be transferred to the SuperTrace and you will no longer have any rights under the Mercer Super Trust.

You can find more information on the SuperTrace earlier in this Booklet.