

## Your Retirement or Pre-Retirement Income

Combined Fund's Pensions put **you** in control of your retirement or pre-retirement income. Their simple and convenient features make it easy to ensure that your money works hard while **you** enjoy life after work (or, under Transition to Retirement rules, even during work).

- the Fund allows you to convert your superannuation savings into a flexible income stream where **you** set the payment level you require subject to limits set by the Government.
- you also have control over when these payments are made – either monthly or annually (in advance or arrears).
- if retired, some or all of your capital can be accessed as a lump sum at any time. Alternatively, your Pension account can be established with no access to lump sums if you wish to begin taking some of your benefit as a pension after age 55 but have not fully retired.
- the choice of investment options is comprehensive and you are able to switch between these options at no cost as your needs change.
- you can build in vital protection against market downturns at no cost.

Once your pension account is established, keeping up-to-date with your investment is easy. You can ring Combined Fund on (03) 9691 2900 or toll-free on 1800 200 801. Alternatively, you can obtain information 24 hours a day, 7 days a week, by accessing the Combined Fund website, through your personal pin number.

## What are the advantages of a Combined Fund Pension Account?

The advantages of a Combined Fund Pension Account are:

- there are NO entry costs;
- ongoing fees are lower than those generally applicable in the market;
- all investment earnings are exempt from tax;
- if you are aged 60 or more, you pay no tax at all on your pension payments;
- if you are under age 60, there are income tax concessions for your pension payments and you can defer or eliminate the payment of lump sum tax;
- you may choose the level and frequency of the income payments (subject to Government limits);
- you may make lump sum withdrawals if retired;
- alternatively, you can make the pension non-commutable (ie you cannot commute or convert any of your pension benefit to lump sums) in order to be able to commence taking pension payments before retirement;
- on death, the amount remaining in your account can be paid to your dependants as a lump sum or as a reversionary pension to your spouse and further tax advantages may be available.
- if you choose more than one investment option, you can also choose the investment option from which pension payments are made.

## Combined Fund

## Pension Benefit Summary

November 2009

NB: This Benefit Summary is part of a Product Disclosure Statement which includes the latest Annual Report and Member Booklet. This Summary should be read in conjunction with the Product Disclosure Statement.

It contains information of a general nature and should not be used as the sole source of advice by any potential investor. You should make your own enquiries as to whether or not a Pension is appropriate in your particular circumstances.

Fund ABN  
46 921 400 504  
RSE ABN  
32 064 976 138

# Who can become a Combined Fund Pension Member?

## (a) Retired Members

**Your  
Questions  
Answered**

If you:

- are age 65 or more (whether or not you are still working); or
- are age 55 or more and have ceased gainful employment (retired); or
- are age 60 or more and have left the service of your employer but have not retired

then you have unrestricted access to all of your superannuation benefits and you may establish a **Retired Person's Pension Account**.

This simply means that you may make lump-sum withdrawals from your Pension account in addition to receiving your regular pension payments.

Your **Retired Person's Pension Account** can include all or any of:

- the amount transferred from your existing account in Combined Fund;
- an amount transferred from another superannuation fund;
- an additional amount you contribute when the pension account is established.

Any **subsequent** personal contributions made by you or your spouse (if permitted – generally only up to age 65) would be credited to a separate member account for later transfer to a further pension account.

## (b) Members aged 55 and over who are still working

If you:

- are between ages 55 and 60 and are still gainfully employed; or
- have not left the service of an employer since turning 60 but are not yet age 65

then access to some or all of your superannuation benefits **in a lump sum** is still restricted by the Government's Preservation rules.

However, you can establish a **Transition to Retirement Pension Account** in addition to your current account in Combined Fund. This means that you can start taking pension payments even though you can't make lump sum withdrawals from your Preserved benefits yet.

Your **Transition to Retirement Pension Account** can include:

- an amount transferred from your existing account in Combined Fund; and
- an amount transferred from another superannuation fund.

Any future contributions by you, your spouse and your employer would be credited to your existing member account for later transfer to a separate pension account. The Government will not allow contributions to be made directly to a pension account.

**NB: Under the Government's rules for Transition to Retirement pensions, we must first draw from any non-preserved benefits in your pension account before we draw from your preserved benefits.**

**You may therefore wish to only transfer your Preserved benefits into your Transition to Retirement Pension Account and leave any Non-preserved benefits in your other account in Combined Fund.**

That other account will be maintained anyway for ongoing employer contributions and any personal contributions you may wish to make. Insurance cover for death and disability may also be maintained in that account.

This way, you get the best of both worlds with:

- an ongoing account for contributions and insurance with access to lump sum withdrawals from your non-preserved benefits; and
- access to your preserved benefits in pension form even while you are still working to enable a gradual transition from full-time work to retirement.

Then, once you retire or leave service after age 60 or attain 65 (whether still working or not), you can transfer to a Retired Person's Pension Account with unrestricted access to all of your retirement savings.

You may wish to discuss these matters with your financial adviser.

**Your  
Questions  
Answered**

## How is my Pension Account invested?

You may choose any one or a combination of the four Combined Fund sector options and the four diversified investment options for your Pension Account:

### Sector Options

- Australian Shares
- International Shares
- Property
- Interest

### Diversified Options

- Balanced (75/25)
- Growth (85/15)
- Conservative (30/70)
- SRI Balanced (74/26)  
(Sustainable Responsible Investment)

You may also switch your investments between these options, at any time, free of charge.

If you choose more than one option, you can also choose the investment option from which pension payments are to be made and change that choice from time to time.

Please refer to the Product Disclosure Statement which provides information on each of the investment choices.

## How much will I receive in pension payments?

Your Combined Fund Pension Account allows you to choose the amount of pension income you wish to receive (subject to limits set by the Government). These limits are calculated (rounded to the nearest ten dollars) as follows:

- **Minimum Payment**

The minimum amount you **must** take in pension payments each financial year is set at 1 July each year as a percentage of the amount in your pension account at that date:

Age of Pension Member	% of Account Balance at 1 July	Age of Pension Member	% of Account Balance at 1 July
55 to 64	4	85 to 89	9
65 to 74	5	90 to 94	11
75 to 79	6	95 or more	14
80 to 84	7		

**Under temporary arrangements, the Government has halved these minimums for the year commencing 1 July 2009.**

- **Maximum Payment**

For Retired Person's Pension Accounts there is no maximum annual pension payment and some or all of your account balance may be withdrawn as a lump sum.

For Members using the Transition to Retirement Pension Account, a maximum amount of 10% of your account balance at 1 July may be paid during each financial year. No amount may be withdrawn as a lump sum.

**Example:** if you are aged 62 and you have an Account Balance of \$300,000, your initial minimum annual pension is \$12,000 (4%). If you are still working, the initial maximum annual pension is \$30,000 (10%). If you have retired, there is no maximum pension payment.

**Your  
Questions  
Answered**

## **Are Pension Accounts tax effective?**

There are three tax benefits for Pension Accounts:

- a Combined Fund Pension Account is exempt from tax on its investment earnings. This generally means higher investment returns on your pension account;
- by transferring your superannuation benefits into a Combined Fund Pension Account, you defer or eliminate lump sum tax if you are under age 60;
- if you have attained age 60, your pension payments are made to you tax-free. If you have not attained age 60, you may be entitled to a tax offset of up to 15% and an exempt (tax-free) amount to reduce the tax on your pension payments from the Fund.

## **Taxation of Pension Payments**

### **(a) From age 60 onwards**

From age 60, all pension payments are tax-free and are not counted as part of your assessable income.

### **(b) Prior to age 60**

The pension payments you receive from the Fund are subject to income tax at your marginal tax rate plus the Medicare Levy. However, the amount of tax you pay on your pension payments will be reduced if you are eligible for any of the following tax concessions:

- **Annual deductible (tax-free) amount**

You may be entitled to have an amount of your pension payments paid tax-free each year. You will receive this tax-free portion if your account contains an exempt component (generally, personal contributions made after 30 June 1983 for which a tax deduction has not been claimed and any Pre-83 crystallised component).

- **Superannuation tax rebate**

You will be entitled to a superannuation tax rebate of up to 15% on your assessable pension payments.

- **The tax-free threshold**

Tax legislation provides a tax-free threshold. If you do not claim this threshold in relation to your salary or income from another source, you can claim it in your Combined Fund Pension Account to reduce the tax that may be deducted from your pension payments.

## **How do I claim these tax concessions?**

If you have not attained age 60, we will reduce the tax on your pension payments by the appropriate exempt amount, the tax rebate and the tax-free threshold provided that you complete the appropriate Taxation Office declaration.

If you do not complete this form, you may claim the tax benefits when you lodge your tax return. We will send you a PAYG Payment Summary at the end of each financial year in respect of pension payments.

If you have attained age 60, the tax concessions automatically apply.

We recommend that you contact your financial adviser for full details of the impact of tax (if any) on your pension payments.

## **What credits/debits are made to my Account?**

Your Pension Account is **credited** with:

- the amount you initially transfer from your other Combined Fund account;
- any amounts you initially transfer from another fund; and
- all capital appreciation and earnings arising from your Investment Choice.

Your Account is **debited** with:

- all pension payments made to you;
- any lump sum payments (commutations) requested;
- fees;
- any capital depreciation arising from your Investment Choice.

## **What fees and charges are applicable?**

There is no charge against money transferred into your account.

An administration fee of \$1 per week is deducted from your account.

Expenses of the Fund which are not covered by the administration fees are taken into account before monthly unit prices are declared. For 2009, these are estimated at 0.0445% of Fund assets per month.

Investment managers' fees are also deducted before unit prices are declared. See the Product Disclosure Statement for full details of Fund expenses.

A Benefit Payment Fee of \$67 applies to any lump sum withdrawals from your Retired Person's Pension Account but not to pension payments.

Combined Fund does not pay any commissions to financial intermediaries for recommending the Fund for your investment.

**Your  
Questions  
Answered**

## When will my pension payments be made?

You can choose to have your pension paid monthly or annually. Annual payments may be made in advance or in arrears.

Payments will be made to your bank, building society or credit union on the 21<sup>st</sup> day of the month. You should provide your account details in the Pension Application Form and make sure that they remain up-to-date.

You can change the amount and frequency of your pension payments at any time (provided the new amount is within Government limits). All you need to do is to contact us before the 1<sup>st</sup> of the month to ensure that the change is carried out for that month.

We will inform you of your new minimum and, if applicable, maximum limits at the start of each financial year. Unless you request an alteration, you will continue to receive the same pension payments as the previous year – adjusted to Government limits if required.

If you don't specify the amount of your pension payments, the default amount of income payment is the minimum limit set by the Government (see page 3).

**Your  
Questions  
Answered**

## What happens in the event of my death?

The options for payment in the event of your death are:

- *A Lump sum in accordance with your nomination*

The balance of your Pension Account may be paid as a lump sum to your dependants in accordance with a valid death benefit nomination. Your nomination can be changed or updated at any time. **Please complete the Death Benefit Distribution Form at the end of this Summary (Section B should be left blank).**

- *As a lump sum payment to your estate*

If you do not have dependants at the date of your death, the balance of your Pension Account will be paid as a lump sum to the legal personal representative of your estate. **Please complete the Death Benefit Distribution Form at the end of this Summary (Section A should be left blank).**

The balance of your Pension Account will then be distributed in accordance with your Will or, if you have no Will, in accordance with relevant legislation.

- *Continuation of your Pension (Reversionary Payments) to your Spouse*

You may nominate your spouse (including a de facto spouse) to continue to receive the Pension payments after your death. You must make this nomination before your Pension payments commence and, once made, it cannot be changed except in very limited circumstances (such as the death of the nominated spouse or divorce or separation).

## Contact with the Fund

Each year around March, we will provide you with an Annual Report and a Statement showing the movements in your Account over the preceding year ended 31 December. At the start of each financial year, advice as to the minimum/maximum pension payments applicable for the year ahead will be advised and, if you have not attained age 60, a PAYG Payment Summary will also be issued.

## Social Security Issues

You should be aware that, under current guidelines, your investments in the Pension Account could affect your entitlement to social security benefits. If this is of concern to you, independent professional advice should be obtained.

## Availability of Advice

Combined Fund can provide general advice on your retirement planning needs. The first meeting will be free of charge and will give you an overview of your available options. If you require a more in-depth analysis, advisory fees may then apply.



Fund ABN 46 921 400 504  
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# APPLICANT

Mr/Mrs/Ms/Other	Surname
Given Name(s)	
Residential Address	
Email Address	Date of Birth: ____ / ____ / ____
Contact Telephone No. ( )	Name of Former or Current Employer

## Pension Application Form

November 2009

### AMOUNT TO BE INVESTED

1. Is the whole of your existing benefit in Combined Fund to be transferred to your Pension Account? YES  NO

If you answered no, what amount of your superannuation benefits is to be transferred to your Pension Account? \$

2. Do you wish to add to your Pension Account by:

• transferring a benefit from another fund. If so, please complete a Transfer Authority form (included with this Pension kit). Photocopies of this form may be used if you wish to transfer benefits from more than one fund. Upon receipt of this form, we will arrange the transfer with the other fund(s) on your behalf and notify you when the transfer is completed. YES  NO

• making a personal contribution to Combined Fund account for transfer to your Pension account? If so, the contribution must be made before you complete this form. YES  NO

### PAYMENT AMOUNTS

3. Please select **ONE** of the following three pension payment options:

• Minimum Pension Amount  **OR** • Maximum Pension Amount   
(Transition to Retirement Pensions only)

**OR**

• An annual amount after-tax of \$

4. COMMENCEMENT DATE OF PENSION ACCOUNT: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

5. DATE OF FIRST PENSION PAYMENT 21 / \_\_\_\_ / \_\_\_\_

6. If the Commencement Date of your Pension account is 1 June, do you wish to defer your first pension payment until the next financial year? YES  NO

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	Monthly	Annually in Advance	Annually in Arrears
7. How often do you want your pension paid?			

8. **Proof of Identity**

Government regulations now require us to ask for certified proof of your identity before we can make a cash payment to you.

A **certified** copy of your driver's licence or your passport is all we need. However, if these are not available, alternatives are listed at the end of this form.

Certified proof of identity is attached: (please tick one and attach the document(s))

Driver's Licence    
 Passport    
 Two other proofs

**INVESTMENT CHOICE**

9. Please indicate how you want your Pension Account invested:

%	<b>Australian Shares</b>
%	<b>International Shares</b>
%	<b>Property</b>
%	<b>Interest</b>
%	<b>Balanced (75/25)*</b>
%	<b>Growth (85/15)</b>
%	<b>Conservative (30/70)</b>
%	<b>SRI (74/26)</b>

**You can choose one option or a selection to suit your circumstances. Please ensure that your selection totals 100%.**

\*The Balanced Option is the Default option.

You may switch your Investment Choice, at any time, free of charge.

If you choose the Balanced, Growth, Conservative or SRI option, future pension payment amounts will be deducted from your account using the prevailing unit price for that option regardless of movements in investment markets.

**An alternative approach would be to nominate an asset split which largely mirrors the asset split of these options or to choose your own split between asset sectors. This way, you will be able to nominate specific asset classes from which pension payments are made during periods of market downturn. For example, during a period of sharemarket downturn, you may prefer to have your pension payments deducted from the Interest component of your invested funds rather than selling down the sharemarket component of your investment.**

Whilst not exactly the same as the asset split for the Balanced and Growth options, the following examples largely reflect those options:

Asset Class	Balanced Option (75/25)	Growth Option (85/15)	Conservative Option (30/70)
Australian Shares	35%	43%	15%
International Shares	25%	27%	8%
Property	15%	15%	7%
Interest	25%	15%	70%

## PAYMENT INSTRUCTIONS

Your Pension payments will be paid directly to your bank, building society or credit union account on 21<sup>st</sup> of the month. Please provide details of the account to which you wish your payments to be made.

Account Name	
Name and address of Institution	
Account Number	Branch BSB Number

## TREATMENT OF PENSION ACCOUNT UPON DEATH

11. Please choose one of the following:

- Option One** – Paid as a lump sum to your nominated Dependants or to your estate. If you elect this option, you should complete a **Death Benefit Distribution Form (see the next page)**.
- Option Two** – Paid as a Reversionary Pension **only to your spouse**. If you elect this option, please provide the following information regarding your spouse:

Mr/Mrs/Ms/Other	Surname	
Given Names	Male/Female	Date of Birth
Address		Post Code

## TYPE OF PENSION

12. I wish to establish:

- A **Retired Person's Pension Account** ie including provision for lump-sum withdrawals **OR**
- A **Transition to Retirement Pension Account** ie with no provision for commutation of Pension payments to lump sum payments.

## APPLICATION AND DECLARATION

I hereby apply to become a Pension Member of Combined Fund. I have read and understood the Pension Benefit Summary and the latest Annual Report and Member Booklet for Combined Fund which, together, form the Product Disclosure Statement for Combined Fund.

- I agree to be bound by the provisions of the Trust Deed including any amendments;
- I agree to supply the Trustee with all information it requires for the management and administration of the Fund;
- I have read the section in the Annual Report on the Fund's Privacy Policy and agree that the Trustee may use my personal information for the purposes described and may retain my Tax File Number on file.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

# Death Benefit Distribution Form

## Pension Account



Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**This form helps the Trustee determine who should receive the Death Benefit from the Fund if you die whilst a member.**

### SECTION A – Complete if you have Dependants

I list below those of my Dependants, as defined in Section D, to whom I would like my benefits to be paid in the event of my death, indicating the proportions I would like each of them to receive.

I fully understand that the Trustee has the discretion to pay my Death Benefit to my Legal Personal Representative or any one or more of my Dependants, whether nominated by me or not and I can change my nomination at any time by notifying the Trustee in writing.

Name		Relationship	
Address		% of Benefits	

Name		Relationship	
Address		% of Benefits	

Name		Relationship	
Address		% of Benefits	

(If insufficient space, provide information on a separate sheet)

...../...../.....  
*(signature of applicant)* *(date)*

### SECTION B– Complete if you do not have Dependants

I currently have no Dependants as defined in Section D. I understand that, if I die leaving no Dependants, my Death Benefit will be paid to my Legal Personal Representative.

...../...../.....  
*(signature of applicant)* *(date)*

### SECTION C– Complete in all cases

Name & contact details of nearest relative **not** living with you: Name: \_\_\_\_\_

Relationship: \_\_\_\_\_ Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

### SECTION D– Dependants

- Your spouse (including a de facto spouse who can be of the same sex as you).
- Your children (including adult, adopted, ex-nuptial and foster children, a ward of you or your spouse, a child for whom you or your spouse are standing in loco parentis and a person who is a child of you or your spouse within the meaning of the Family Law Act 1975).
- Any other persons who are wholly or partially financially dependent on you (ie. they rely upon you for financial support).
- An Interdependant. This is a person with whom you live and have a close personal relationship. One of you must rely upon the other for financial support and one of you must provide the other with domestic support and personal care.

**Note: Your mother, father, sister, brother and other relatives and friends are NOT Dependants unless they rely upon you for financial support or meet the definition of an Interdependant.**

## COMPLETING PROOF OF IDENTITY

Government regulations require you to provide documentation with this request to prove you are the person to whom the superannuation entitlements belong.

Each superannuation fund has its own requirements and as a result, other funds may request further information. However, in most cases, the following documents may be used as satisfactory proof of identity:

**EITHER – a certified copy of your driver’s licence with photograph or your passport containing photograph**

**OR – certified copies of two items from the lists below:**

**One of the following documents:**

- birth certificate or birth extract
- citizenship certificate issued by the Commonwealth
- pension card issued by Centrelink that entitles the person to financial benefits.

PLUS

**One of the following documents:**

- letter from Centrelink regarding a Government assistance payment
- notice issued by Commonwealth, State or Territory Government or local council within the past twelve months that contains your name and residential address. For example:
  - Tax Office Notice of Assessment
  - Rates notice from local council

## CERTIFICATION OF PERSONAL DOCUMENTS

All copied pages of ORIGINAL proof of identification documents need to be certified as true copies by any individual approved to do so (see below).

The person who is authorised to certify documents must sight the original and the copy and make sure both documents are identical, then make sure all pages have been certified as true copies by writing or stamping ‘certified true copy’ followed by their signature, printed name, qualification (eg Justice of the Peace, Australia Post employee, etc) and date.

The following can certify copies of the originals as **true and correct** copies:

- a permanent employee of Australia Post with five or more years of continuous service who is employed in an office supplying postal services to the public
- a finance company officer with five or more years of continuous service (with one or more finance companies)
- an officer with, or authorised representative of, a holder of an Australian Financial Services Licence (AFSL), having five or more years continuous service with one or more licensees
- a notary public officer
- a police officer
- a registrar or deputy registrar of a court
- a Justice of the Peace
- a person enrolled on the roll of a State or Territory Supreme Court or the High Court of Australia as a legal practitioner
- an Australian consular officer or an Australian diplomatic officer
- a judge of a court
- a magistrate, or
- a Chief Executive Officer of a Commonwealth court.