

Choosing a style of super that suits you

DECIDING BETWEEN THE DEFINED BENEFIT DIVISION AND ACCUMULATION 2

Everyone has different needs when it comes to their super. That's why, as a new Defined Benefit Division (DBD) member, you get to choose a style of super to suit you.

What this fact sheet covers

As a DBD member, you have 2 years from the date you joined the DBD to choose to stay a Defined Benefit Division (DBD) member or transfer to Accumulation 2.

This fact sheet highlights some of the differences in membership types so you can choose a style of super that best suits you. Remember, once you've transferred to Accumulation 2, you can't change back to the DBD in the future, and if the deadline passes without you making a decision, you'll remain a DBD member.

Who is this fact sheet for?

Defined Benefit Division (DBD) members who are in the first two years of their DBD membership.

Overview

With both styles of super you're saving to fund your retirement but each uses a different way to get there with different investment and insurance options.

Some of these differences are explained below. Be sure to read the *Defined Benefit Division and Accumulation 2 Product Disclosure Statement (PDS)* for more detail about the differences.

Defined Benefit Division

Your benefit is made up of two parts—an accumulation component and a defined benefit component. If you receive 17% super contributions from your employer, 14% will be put into your defined benefit component and 3% will be directed to your accumulation component (subject to certain conditions).

As a DBD member, the amount of super you receive at retirement is mainly calculated using the formula below.

Any additional member contributions you make and any money from other super funds that you transfer into UniSuper will go in to the accumulation component of your account and you can choose how that is invested.

HOW YOUR BENEFIT IS INVESTED

The defined benefit component is calculated using a formula. Contributions from your employer and any additional contributions you make are pooled together and invested as a single diversified portfolio that includes shares, property, fixed interest, cash, and other investments.

Although DBD money is invested, market fluctuations are less likely to directly affect your final benefit and UniSuper bears most of the investment risk. However, a risk of the DBD is that if the benefit pool is insufficient to cover the DBD obligations for all members, the amount you receive at retirement may be reduced.

You can get a value of each part of your defined benefit formula by logging into your account at unisuper.com.au or checking your most recent benefit statement. More information about the DBD formulas can be found in our Trust Deed available on our website.

THE DEFINED BENEFIT FORMULA

BENEFIT
SALARY



BENEFIT
SERVICE



LUMP SUM
FACTOR



AVERAGE
SERVICE
FRACTION



AVERAGE
CONTRIBUTION
FACTOR

RISKS ASSOCIATED WITH DEFINED BENEFITS

There is a risk that the defined benefit pool could be insufficient to meet its benefit obligations to DBD members. Clause 34 of the Trust Deed provides a process for the Trustee to manage the DBD's financial position, including a way to reduce benefits if necessary. The Trustee uses two key actuarial measures to track the financial position of the fund—the Vested Benefits Index (VBI) and the Accrued Benefits Index (ABI).

Under Clause 34, if the Actuary's report of its annual actuarial investigation and valuation of the DBD advises that those measures have fallen (or are likely to fall) below particular levels, we must let members and employers know. In that case, the effective date of the investigation marks the beginning of a Clause 34 'monitoring period'.

If the Actuary's subsequent report four years later advises that the Fund's position hasn't improved sufficiently, the Trustee has six months following the receipt of the report to consider whether it's in the interests of all DBD members to reduce benefits payable.

If benefit reductions are required, the Trustee must do this on a fair and equitable basis.

There is currently no monitoring period in place for the DBD. For more information about Clause 34 and the outcome of previous Clause 34 monitoring periods, go to unisuper.com.au/protecting-the-dbd.

DBD INBUILT BENEFITS

As a DBD member you're provided with inbuilt benefits (subject to eligibility) that can provide financial protection for you and your family if you die, or are unable to work due to injury or illness. These benefits are calculated based on a formula set out in the Trust Deed and contain an inbuilt component which is provided by UniSuper.

It can be helpful to think of inbuilt benefits as being similar to insurance benefits, but you can't opt out of them because they're built into your overall DBD membership. However, unlike insurance premiums there is no charge deducted from your account balance.

Accumulation 2

As an Accumulation 2 member, the amount you get at retirement (or when you leave UniSuper) is simply the amount shown in your account balance.

Your benefit is only made up of an accumulation balance. So all of your super contributions will be directed to your accumulation balance.

You can choose how you want to invest your account and your balance is influenced by the contributions made, the investment options you choose and how they perform, and any fees and costs you pay.

INVESTMENT CHOICE

If the markets perform well, investment gains are added to your account. However, if markets decline, investment losses are deducted from your account. Before you choose an investment option, you need to consider your investment needs, your savings goals and your appetite for risk.

See unisuper.com.au/investments for information to help you make an investment choice. You can choose how your balance, transfers into your account and future contributions made to your account are invested by logging into your account at unisuper.com.au.

If you have questions about our investment options, consider making an appointment with a UniSuper oncampus consultant. They can help you understand the different investment options and even help you with your paperwork. To find an on-campus consultant near you, visit unisuper.com.au/campusbookings.

INSURANCE COVER

If you transfer to Accumulation 2 membership, your inbuilt benefits will cease.

If eligible, you can instead elect to receive death, TPD and income protection insurance cover to replace your inbuilt benefits. It's important to understand that some, or all, of the cover you receive will have a pre-existing condition exclusion (PEC) applied for a period of between 12 months to three years.

The cost of insurance cover is generally determined by your age and level of cover you have. You'll also have the flexibility to increase your cover, decrease it or choose not to have any cover. The cost of insurance cover can also be expected to change from time to time.

To find out more about insurance and how inbuilt benefits are transitioned to insurance, read the *Defined Benefit Division and Accumulation 2 Product Disclosure Statement (PDS)* available on our website.

What's best for you?

When deciding what's best for you, there are many factors to consider such as your personal objectives, financial situation or needs. This fact sheet only provides information on a few factors you need to consider before making your decision and doesn't take into account your personal situation. For that reason, you should read the *Defined Benefit Division and Accumulation 2 PDS*. You can also read about who Accumulation 2 has been designed for in the Target Market Determination (TMD), available at unisuper.com.au/pds.

Making decisions about your super can be daunting, especially if you're not confident about how your choices will impact your future savings. You may want to consider seeking financial advice before making your decision, and checking out our range of resources at unisuper.com.au/choosingyoursuper.

HOW TO TRANSFER TO ACCUMULATION 2

If you decide to transfer from the DBD to Accumulation 2, complete the following steps:

1. Complete and sign the *Transferring from the Defined Benefit Division to Accumulation 2 form* at the end of this fact sheet.
2. Post your completed form to the address on the back of the form or email it to enquiry@unisuper.com.au.

Once we've received your form, we'll process your request after we receive your next contribution. If you want more information during this time, call us on **1800 331 685**.

WHAT HAPPENS TO YOUR BENEFIT WHEN TRANSFERRING TO ACCUMULATION 2

If you transfer to Accumulation 2, we'll convert your defined benefit to an accumulation benefit using the defined benefit formula at the date of transfer. We'll combine this amount with your existing accumulation component.

CHANGING JOBS?

If you leave your employer before we process your request we may be unable to process your transfer to Accumulation 2.

You can transfer to Accumulation 2 in the future if your employment circumstances change and you become a contributing DBD member again.

STILL NEED MORE INFORMATION TO HELP YOU DECIDE?

To help you make your decision, we suggest the following resources:

- check out unisuper.com.au/choosingyoursuper
- the *Defined Benefit Division and Accumulation 2 PDS* available at unisuper.com.au/pds.
- the *Accumulation 2 TMD* also available at unisuper.com.au/pds.

This information is of a general nature only and includes general advice. It has been prepared without taking into account your individual objectives, financial situation or needs. Before making any decision in relation to your UniSuper membership, you should consider your personal circumstances, the relevant product disclosure statement for your membership category and whether to consult a licensed financial adviser. This information is current as at July 2023 and is based on our understanding of legislation at that date. Information is subject to change. To the extent that this fact sheet contains information which is inconsistent with the UniSuper Trust Deed and Regulations (together the Trust Deed), the Trust Deed will prevail. Issued by: UniSuper Management Pty Ltd ABN 91 006 961 799, AFSL No. 235907 on behalf of UniSuper Limited the trustee of UniSuper, Level 1, 385 Bourke Street, Melbourne Vic 3000.

Fund: UniSuper, ABN 91 385 943 850
Trustee: UniSuper Limited, ABN 54 006 027 121 AFSL 492806
Date: July 2023 UNIS000F48 0723

Transferring from the Defined Benefit Division to Accumulation 2

Instructions

Complete this form to transfer your UniSuper membership from the Defined Benefit Division (DBD) to Accumulation 2.

Important things to consider when transferring from the DBD to Accumulation 2:

- You have two years from the commencement of your DBD membership to transfer to Accumulation 2. After this two-year period lapses, you won't be able to transfer to Accumulation 2.
- Consider the PDS and seeking financial advice.

- Once you've been moved to Accumulation 2, you cannot move back to the DBD.
- The inbuilt benefits you had as a DBD member will cease when you transfer to Accumulation 2. You can apply to replace your inbuilt benefits with Death and Total and Permanent Disablement (TPD) cover, and apply to receive Income Protection cover. This is known as 'transitioned cover' and is provided in addition to any other existing insurance cover you may have through your UniSuper membership, subject to certain cover limits. Additional exclusions may apply.

For more information about:

- insurance, read the *Insurance in your super* document available at unisuper.com.au/pds
- the DBD or accumulation products visit unisuper.com.au/choosingyoursuper.

SECTION 1 YOUR DETAILS

▶ Please complete in BLACK or BLUE BALL POINT PEN and print in CAPITAL LETTERS. Cross (X) where required. All fields in SECTION 1 are mandatory. Please ensure you complete all fields.

UniSuper member number

If you're unsure, refer to your most recent correspondence or call us.

Title

 Mr Mrs Ms Dr Professor Other

Surname

Given name

Date of birth (DD/MM/YYYY)

Daytime contact number

Employer



SECTION 2**INSURANCE ELECTION**

If eligible, you can apply for transitioned cover for Death, TPD and Income Protection to replace your inbuilt benefits.

You must be under age 60 years for transitioned Death and TPD cover, and under 66 years and nine months for transitioned Income Protection cover.

Additionally, to be eligible for transitioned Income Protection cover:

- your usual occupation is not an 'Excluded Occupation' (see the 'Other conditions and exclusions' section of the *Insurance in your super* document for a list of excluded occupations)
- you don't currently have Income Protection cover with us and you never had transitioned Income Protection cover with us during your current period of fund membership
- you haven't had a claim approved for total and permanent disablement or terminal medical condition with any super fund, insurer, workers' compensation, or government benefits providing terminal illness, total and permanent disablement or income protection cover, including accident or sickness cover.

Refer to the *Insurance in your super* document available at [unisuper.com.au/pds](https://www.unisuper.com.au/pds) for full details on the amount of cover, eligibility criteria and any conditions including pre-existing conditions exclusions that apply to transitioned cover.

Do you want to apply for transitioned Death, TPD and Income Protection cover, in addition to any existing insurance cover you may already have?

Yes. Go to SECTION 3.

No. Continue.

If you make no election, you won't receive transitioned cover.

If you have any insurance cover, it will be transferred to your Accumulation 2 account if you are aged over 25 and have an account balance of \$6,000 or more. If you do not meet this criteria, only cover you have elected to receive or keep will be transferred to your Accumulation 2 account.

Are you aged over 25 and have an account balance of \$6,000 or more?

Yes. Go to SECTION 3.

No. Continue.

Would you also like to keep any other insurance cover you have?

Yes

SECTION 3**MEMBER ELECTION, DECLARATION AND SIGNATURE**

➤ Please read this declaration before you sign and date your form.

- I declare the information I have given on this form is true, complete and correct.
- I have read and understood the information in the *Defined Benefit Division and Accumulation 2 PDS* including the documents that have been incorporated by reference.
- I acknowledge that I can read about who Accumulation 2 has been designed for in the Target Market Determination, available at unisuper.com.au/pds.
- I understand that:
 - my inbuilt benefits will cease.
 - if I don't elect to receive insurance cover to replace my inbuilt benefits, I may have no insurance.
 - insurance cover will cease if I do not have sufficient funds to pay the premiums when due.
 - my election is irrevocable and I will be unable to return to Defined Benefit Division membership at a later date.
 - my membership of Accumulation 2 will be effective from the commencement date of the pay period after you received the election.
 - if I cease employment before my election is effective, my request to transfer to Accumulation 2 may not be processed.
 - my converted defined benefit component transferred into Accumulation 2 and any future contributions received will be invested in line with my current future contributions strategy for my accumulation component. This future contributions strategy will now apply to my Accumulation 2 account. If I have not nominated a future contributions strategy, my future contributions strategy will be the same as the way my current contributions are invested in my accumulation component. If I don't have an accumulation component, then any future contributions will be invested in the default Balanced investment option.
- I've read and understood the privacy information and consent to my personal information being used in accordance with UniSuper's *Privacy Statement* and *Privacy Policy* and the Insurer's *Privacy Policy*.

Member signature

Date

<input type="text"/>	<input type="text"/>	<input type="text"/>
DD	MM	YYYY

Return your completed form to UniSuper:

Electronically: using the **Upload a document tool** at unisuper.com.au/contact-us. You can chat with us online or call **1800 331 685** if you need assistance.

Mail: UniSuper
Level 1, 385 Bourke Street
Melbourne VIC 3000

Need help?

- Call **1800 331 685**, or
- Visit unisuper.com.au

PRIVACY STATEMENT

UniSuper is committed to protecting your personal information in accordance with privacy law obligations. The information that you provide to UniSuper on this form is collected and used in accordance with our Privacy Policy which can be found online at unisuper.com.au/privacy. If you have any privacy related questions, please call **1800 331 685**.

PRIVACY - USE AND DISCLOSURE OF PERSONAL INFORMATION**Your privacy with MetLife Insurance Limited ABN 75 004 274 882 AFSL 238096 ('MetLife' or the 'Insurer')**

The personal information you provide in the form is necessary for MetLife to provide you with the products and services you have requested from MetLife. You do not have to provide MetLife with your personal information, but if you do not do so MetLife may not be able to provide you with the products or services. MetLife complies with the *Privacy Act 1988* and the principles laid out in its Privacy Policy which details information about the entities that MetLife usually discloses personal information to (including overseas recipients), how you may access or seek correction of your personal information, how we manage that information and our complaints process. MetLife's Privacy Policy is readily available and can be viewed at www.metlife.com.au/privacy.