What this fact sheet covers

Explains how Defined Benefit Division and Accumulation 2 members can reduce their level of standard member contributions under UniSuper’s contribution flexibility arrangements and the implications of doing so.

Who is this fact sheet for?

Defined Benefit Division and Accumulation 2 members receiving 17% employer contributions.

What’s contribution flexibility?

Defined Benefit Division (DBD) and Accumulation 2 members are required to make standard member contributions equal to 7% of their salary each pay period. Members are, however, able to reduce the level of standard member contributions they make under our contribution flexibility arrangements. Contribution flexibility reflects our commitment to help members balance the demands of their current lifestyle with the need to save for retirement.

How much can you reduce your standard member contributions by?

If you’re a DBD or Accumulation 2 member receiving 17% employer contributions you’re able to reduce your standard member contributions to the following specific levels. If you elect to reduce your standard member contributions, your employer will continue to make 17% contributions on your behalf.

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<tr>
<th>BEFORE-TAX CONTRIBUTION LEVEL</th>
<th>AFTER-TAX CONTRIBUTION LEVEL</th>
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<tr>
<td>8.25%</td>
<td>7.00%</td>
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<td>5.25%</td>
<td>4.45%</td>
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<td>4.70%</td>
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Please note: if you make standard member contributions from your before-tax salary you must pay 15% contributions tax on these contributions. The 15% contributions tax is not payable on standard member contributions made on an after-tax basis.

What should you consider before deciding to reduce your level of standard member contributions?

If you reduce your standard member contributions, the amount of your retirement savings will be reduced. Before deciding to reduce your standard member contributions, we recommend you speak to a qualified financial adviser.

DBD MEMBERS

If your employer makes 17% contributions on your behalf, you must make standard member contributions of at least 4.45% from your after-tax salary (or 5.25% from your before-tax salary) to maintain your full defined benefit entitlement. If you reduce your standard member contributions below this level, your defined benefit entitlement will be reduced. The reduction in your defined benefit entitlement will be calculated by adjustments to the ‘average contribution factor’ part of the formula.
How does reducing your standard member contributions affect inbuilt benefits for DBD members?

If you first join UniSuper as DBD member and elect to use contribution flexibility at the time of joining (referred to as ‘day one contribution flexibility’) you’ll need to satisfy the following additional criteria in order to be eligible to receive up to three units of Death and Terminal & Permanent Disablement (TPD) cover without having to go through our Insurer (TAL’s) underwriting process:

→ you’ll need to lodge an application form within 30 days of first becoming a DBD member; and

→ we’ll need to receive a contribution into your account within 120 days of you joining the DBD. See the Defined Benefit Division and Accumulation 2 Product Disclosure Statement for more information.

If you exercise contribution flexibility after first joining UniSuper you will receive one unit of default Death and TPD cover and may be eligible to apply for a further two units without underwriting if you satisfy the requirements under the group insurance policies UniSuper has with TAL Life Limited*. For information about eligibility for external insurance cover, and to learn about restrictions, exclusions or limitations which may apply, you should read the Insurance in your super booklet which is incorporated by reference in the PDS and available at unisuper.com.au/pds.

If at any stage you have insufficient funds in your accumulation component or accumulation account to cover premium payments or you no longer satisfy the requirements under the group insurance policies, your insurance cover will cease.

How does reducing your standard member contributions affect Accumulation 2 members?

If you are an Accumulation 2 member and reduce your standard member contributions after joining UniSuper, it may result in a reduction of your superannuation savings because less contributions will be made into your account. Decreasing your standard member contributions won’t impact any external insurance cover you may have as an Accumulation 2 member provided:

→ you didn’t exercise contribution flexibility and transfer to Accumulation 2 on first joining UniSuper;

→ your accumulation account has sufficient funds to pay the premium amounts; and

→ you continue to meet the requirements under the group insurance policies UniSuper has with the Insurer.

* Insurance cover is provided to UniSuper members by TAL Life Limited ABN 70 050 109 450, AFSL No. 237848
If you reduce your standard member contributions can you increase them at a later date?

If you’ve decided to reduce your standard member contributions you cannot reinstate your previous level of standard member contributions at a later date. If you’d like to make additional contributions, they must be made as regular or one-off voluntary member contributions to your account if you are an Accumulation 2 member or to your accumulation component if you are a DBD member.

What if you don’t know how much your employer contributes?

Most employers’ pay slips provide a breakdown of employer and member contributions made to UniSuper. If you’re unsure how much your employer contributes on your behalf and your latest pay slip does not provide this information, please contact your employer.

Does your employer have to consent to your request to reduce your standard member contributions?

Contribution flexibility is available to DBD and Accumulation 2 members under the UniSuper Trust Deed. Your employer doesn’t have to consent to your decision to reduce your standard member contributions. However, your employer must ensure that 17% employer contributions are still made on your behalf.

What if you receive 17% employer contributions and reduce your standard member contributions to zero and a future employer only makes 14% contributions?

If you currently receive 17% employer contributions and reduce your standard member contributions down to zero but a future UniSuper participating employer makes 14% employer contributions on your behalf, you must make standard member contributions of at least 2.55% to ensure your total contributions remain at the minimum level.

Can you exercise contribution flexibility if you are making half contributions?

If you and your employer are currently making half contributions you’re not eligible to reduce your standard member contributions under our contribution flexibility arrangements. However, if you and your employer resume making full contribution (that is, 17% employer contributions and 7% standard member contributions from your salary) you may then elect to reduce your level of standard member contributions under our contribution flexibility arrangements.
How to reduce your standard member contributions?

To reduce your standard member contributions complete the attached Contribution flexibility application form and submit it to your employer, who will make the requested adjustments and then pass the form onto UniSuper.

When does the reduction in your standard member contributions take effect?

Any reductions to your standard member contributions will take effect at the start of the next pay period after your contribution flexibility application form has been received.

For more information about contribution flexibility, please call us on 1800 331 685.
For Defined Benefit Division (DBD) and Accumulation 2 members receiving 17% employer contributions.

**Important notice**

The decision to reduce your standard member contributions is final and you cannot reinstate your previous level of standard member contributions at a later date. If you’d like to make additional contributions, they must be made as regular or one-off voluntary member contributions to your account if you are an Accumulation 2 member or to your accumulation component if you are a DBD member.

If you reduce your standard member contributions, your retirement savings will be reduced. Before making the decision to reduce your standard member contributions, we recommend that you:

→ read the *Defined Benefit Division and Accumulation 2 Product Disclosure Statement* (PDS), the *Insurance in your super* booklet and the *What happens to your inbuilt benefits if you choose Accumulation 2?* booklet which are incorporated by reference into the PDS.

→ read the *Contribution flexibility* fact sheet for DBD and Accumulation 2 members receiving 17% employer contributions; and

→ speak to a qualified financial adviser.

Any reduction to your standard member contributions will take effect at the start of the next pay period after your contribution flexibility application form has been processed.

**More information**

If you need more information or help to complete this form:

→ contact the person who manages superannuation at your workplace

→ call us on 1800 331 685, or


**Privacy information**

UniSuper recognises the importance of protecting your personal information and is committed to complying with its privacy law obligations. For more information on how we collect and manage your information please refer to the Privacy statement at the end of this form.
SECTION 1 — Continued

Is your postal address different from your residential address?

> No. Go to SECTION 2.
> Yes. Please provide your postal address below.

Suburb/Town

State

Postcode

Country (if not Australia)

SECTION 2 — Reducing your standard member contributions

What percentage of standard member contributions do you wish to make?
(Select one box only)

> 4.45% after-tax (5.25% before-tax)
> 4.00% after-tax (4.70% before-tax)
> 3.00% after-tax (3.55% before-tax)
> 2.00% after-tax (2.35% before-tax)
> 1.00% after-tax (1.20% before-tax)

Go to SECTION 3
> 0.00% (zero)

Go to SECTION 4

* The contribution percentages shown above are from after-tax salary. If you make member contributions from your before-tax salary they are treated as employer contributions and you must also pay the 15% contributions tax on these contributions. Your employer can advise you of the specific rate if you make your contributions from your before-tax salary.

SECTION 3 — Standard member contributions

How do you want to make standard member contributions?

> From my after-tax salary
> From my before-tax salary

Please note: If you make standard member contributions from your before-tax salary you must pay 15% contributions tax on these contributions. The 15% contributions tax is not payable on standard member contributions made on an after-tax basis.

If you want to make standard member contributions on a before-tax basis, you must enter into a salary sacrifice arrangement with your employer.

SECTION 4 — Member declaration and signature

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

- I declare that the information I have given on this form is true and correct.
- I acknowledge that I have read and understood the information about contribution flexibility in the current Defined Benefit Division and Accumulation 2 Product Disclosure Statement including the booklets that have been incorporated by reference into the PDS and the attached Contribution flexibility fact sheet.
- I understand that:
  - my decision to reduce my standard member contributions is irrevocable and I will be unable to reinstate my previous level of standard member contributions at a later date.
  - if I reduce my standard member contributions, the amount of my retirement savings will be reduced.
  - if I make standard member contributions from my before-tax salary I must pay 15% contributions tax on these contributions.
  - the level of standard member contributions that I elect to make on this form will apply to the standard member contributions that I make with all UniSuper participating employers.
- I consent to my personal information being used in accordance with UniSuper's privacy policy.

Signature

Date (DDMMYYYY)

RETURNING YOUR FORM:

Return your completed form to your employer's Superannuation Officer or Representative.
Privacy statement

UniSuper recognises the importance of protecting your personal information and we’re committed to complying with our privacy law obligations.

We collect your personal information to administer your account, improve our products and services and to provide you with, and promote, UniSuper membership benefits, services and products. You consent to our collecting sensitive information about you, where collecting that information is reasonably necessary for us to perform one or more of our functions or activities. We usually collect personal and sensitive information directly from you, however, it may also be collected from third parties, such as your employer.

We may also collect this information from you because we are required or authorised by or under an Australian law or a court/tribunal order to collect that information.

If you do not provide this information, we may not be able to administer your account, or provide you with a product or service. We may disclose your information to any service provider we engage (for example mail-houses, auditors, insurers, actuaries, lawyers) to carry out or assist us to provide your membership benefits, services and products. This includes overseas entities. Where information is transferred overseas, we will seek to ensure the recipient of the data has security systems to prevent misuse, loss or unauthorised disclosure in line with Australian laws and standards.

Our Privacy Policy contains information about how you may access any personal information held by us, how to correct your information and how to make a complaint about a breach of the Privacy Act. Our Privacy Policy is available from our website at unisuper.com.au or by calling us on 1800 331 685.