Everyone has different needs when it comes to their super. That’s why, as a UniSuper member, you get to choose a style of super to suit you.

**What this fact sheet covers**

When you joined UniSuper, you automatically became a member of the DBD. This means you can choose to stay a Defined Benefit Division (DBD) member or permanently transfer to an Accumulation 2 membership—you have 24 months from the date you joined to make a decision.

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 or the deadline passes without you making a decision, you’re unable to change to a different type of membership in the future.

**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.

**Who is this fact sheet for?**

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

**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 formulas. 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.

**The Defined Benefit Formula**

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<th>5-YEAR BENEFIT SALARY</th>
<th>BENEFIT SERVICE</th>
<th>LUMP SUM FACTOR</th>
<th>AVERAGE SERVICE FRACTION</th>
<th>AVERAGE CONTRIBUTION FACTOR</th>
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unisuper.com.au
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 visiting unisuper.com.au/memberonline or checking your most recent benefit statement. More information about the DBD formulas can be found in our Trust Deed available on our website.

**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 one Clause 34 monitoring period in place which will end when the first Actuarial Report – carried out after 30 June 2017– has been presented to the Trustee. The Trustee may then consider if defined benefit reductions are required. If benefit reductions are required, the approach would depend on the circumstances after the monitoring period concludes. However, it could include changes to the way your future defined benefits will accrue, reductions to the defined benefits you have accrued so far, or a combination of both. For more information, go to unisuper.com.au/dbdupdate.

**DBD INBUILT BENEFITS**

As a DBD member you’re provided with inbuilt temporary incapacity, terminal medical condition, disablement and death benefits (subject to eligibility). These benefits are calculated based on a formula set out in the Trust Deed and contain an inbuilt component which is self-insured 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.

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**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, regardless of your age.

Your benefit is only made up of an accumulation component. So if you receive 17% super contributions from your employer, the whole amount will be directed to your accumulation component.

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/investment-choice 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 using MemberOnline – the secure member section of our website.

If you have questions about our investment options, consider making an appointment with a UniSuper on-campus 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 and will be transitioned to external insurance cover. 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 external insurance cover is generally determined by your age and level of cover you require. You’ll also have the flexibility to increase your cover, decrease it or opt out of it altogether.

To find out more about how your inbuilt benefits are transitioned to external insurance cover, read the What happens to inbuilt benefits if you choose Accumulation 2? booklet, available on our website.

For more detailed information about insurance and the terms and conditions that apply, read the Insurance in your super booklet, also 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.

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 form, or email to enquiry@unisuper.com.au. You can also drop it into one of our member centres available in most capital cities.

Once we’ve received your form, we’ll process your request when your next contribution is received. 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:

→ our ‘Choosing your style of super’ video at unisuper.com.au/choosingyoursuper

→ the Defined Benefit Division and Accumulation 2 Product Disclosure Statement (PDS) together with the How we invest your money, Insurance in your super and What happens to your inbuilt benefits if you Choose Accumulation 2 booklets available via unisuper.com.au/pds.
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Complete this form to elect to transfer your UniSuper membership from the Defined Benefit Division (DBD) to Accumulation 2.

Important information
You should read the Defined Benefit Division and Accumulation 2 PDS, What happens to your inbuilt benefits if you choose Accumulation 2?, and How we invest your money booklets for information about membership and consider seeking advice from an on-campus consultant or a qualified financial adviser before you make your decision.

The PDS contains detailed information about how long you have to make a decision about transferring to Accumulation 2. Generally, if you don’t make an election within 24 months of your ‘date first joined fund’ (shown on your welcome letter), you’ll automatically remain a member of the DBD. We may be unable to process your form if it’s received after this date, and you’ll remain in the DBD.

If you’d like to remain a member of the DBD, you don’t need to make an election.

If you choose to move to Accumulation 2 (subject to eligibility), your inbuilt benefits will transition to external insurance cover and be added to any existing external cover you have through your UniSuper membership.

If you’ve opted out of default external insurance cover as a DBD member, your inbuilt benefits will still be transitioned to external insurance cover when you become an Accumulation 2 member. If you don’t want this transitioned cover, complete the Changing your insurance cover form available at unisuper.com.au/forms (once you’ve transferred to Accumulation 2).

Read the Insurance in your super booklet and What happens to your inbuilt benefits if you choose Accumulation 2?, available on our website at unisuper.com.au/pds.

Once you’ve made an election to move to Accumulation 2 you’re unable to reverse the decision.

Need help?
If you need more information:
→ email enquiry@unisuper.com.au
→ call us on 1800 331 685, or
→ visit our website at unisuper.com.au.

Privacy information
We recognise the importance of protecting your personal information and are committed to complying with our 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 — Your details

Please use BLACK or BLUE BALLPOINT PEN and print in CAPITAL LETTERS. Cross where required

UniSuper member number
If you’re unsure of your member number, refer to your most recent correspondence or call us on 1800 331 685.

Title
Mr
Mrs
Ms
Dr
Professor
Other

Surname

Given name

Date of birth (DDMMYYYY)

Contact number

Email address

Residential address, number and street (not PO box)

Suburb/Town

State

Postcode

Country (if not Australia)
SECTION 2 — Member election, declaration and signature

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

- I elect to transfer my UniSuper membership from the Defined Benefit Division to Accumulation 2.
- I declare the information I have given on this form is true and correct.
- I have read and understood the information in the Defined Benefit Division and Accumulation 2 PDS including the booklets that have been incorporated by reference.
- I understand that:
  - 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 which we received the election.
  - if I cease employment before my form is processed, 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 existing 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 Balanced option, the Fund’s default investment option.
  - my inbuilt benefits will cease and transition to external insurance cover with our Insurer, TAL Life Limited.
- I consent to my personal information being used in line with UniSuper’s Privacy Policy.

Member signature

Date (DDMMYYYY)

RETURNING YOUR FORM
Post: UniSuper, Level 1, 385 Bourke Street, Melbourne VIC 3000
Email: enquiry@unisuper.com.au

Privacy statement
We recognise the importance of protecting your personal information and are committed to complying with our privacy law obligations.

We collect your personal information to administer your account, ensure you’re eligible for insurance cover, provide you with UniSuper membership benefits, services and products, verify your identity and improve our products and services. 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’re required or authorised by or under an Australian law or a court/tribunal order to collect that information.

If you don’t provide this information, we may not be able to administer your account, provide you with a product or service or you may be disadvantaged in some other way.

We may disclose your information to any service provider we engage (for example mail-houses, auditors, insurers, actuaries, lawyers and research consultants) to carry out or help us provide your membership benefits, services and products. This includes overseas entities. The countries we may disclose personal information to are Japan, Canada and the United States of America. Where information is transferred overseas, we’ll 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 can access any personal information we hold, how to correct your information and how to make a complaint about a breach of the Privacy Act. It’s available at unisuper.com.au or by calling us on 1800 331 685.