

> AUGUST 2011

Super Informed

In this edition of *Super Informed*, help us update your details for your **chance to win an Apple iPad!**

Inside this edition:

CEO's message	2
Meet our new Chairman, Chris Cuffe	3
Make your financial future the 'masterpiece' you deserve	4
Help us update your details for your chance to win an Apple iPad!	6
Providing great value to members through top quartile investment performance	7
Access your super online	7
Investment in focus: Retail property	8
Retire your way	10
Important information for members	11

Message from the Chief Executive Officer



I'm delighted to let you know that our investment costs remain among the lowest of all industry superannuation funds. This, combined with our top-quartile investment performance¹, is the winning combination that ultimately delivers greater retirement outcomes for you, our members.

I'm also happy to report that UniSuper continues to be one of the most awarded industry super funds in Australia.

Not only are we rated as one of Australia's top 10 super funds by ratings agency Chant West, but we have also received the SuperRatings Platinum Rating Award 2011, the SuperRatings 7 year Platinum Performance Award 2004-2011 and have been recognised by SuperRatings Infinity as one of the top 13 funds in Australia leading the industry in sustainable behaviour.

While past performance is not an indicator of future performance, these awards certainly recognise our achievements to date.



Strong, long-term performance²

UniSuper's Balanced investment option (where most accumulation accounts are invested) has continued to perform strongly returning 8.9% for the year to 30 June 2011. This result gives us an annual average return of 6.4% each year for the past seven years, which places us in the top quartile of all Australian balanced super funds according to SuperRatings.

New chairman appointed

Elizabeth Bryan announced her resignation earlier this year after more than eight years of dedicated service as Chairman of our Board. As a result, we welcomed a new Chairman, Chris Cuffe, in June. After serving as an independent Director for more than four years, Chris is very familiar with UniSuper and also brings a wealth of other experience to this position. You can find out more about him in the profile on page 3.

Providing the advice you need

At UniSuper we're passionate about helping our members achieve the best possible retirement outcomes. To support our members, we offer UniSuper Advice – a dedicated financial advice service that can provide you with personal advice to help you achieve your financial goals.

Our qualified financial planners have access to a vast amount of research and receive continuing education on the investments and other financial products they can recommend. With this knowledge, they are well placed to provide advice and recommend investments and products that will help you achieve your goals. I strongly believe that professional advice will help you achieve your financial goals faster and more effectively. Find out more about how UniSuper Advice could help you create a masterpiece of a financial future on page 4.

Improving member service

As you know, the improvement of member service has been a huge focus for UniSuper over the past couple of years. To further enhance members' online experience, we are excited to introduce a new online insurance application tool known as 'MAZ'. Eligible UniSuper members can now apply for optional insurance cover (i.e. any insurance cover apart from your default insurance cover) online and be advised within minutes whether your application has been accepted. I encourage you to visit MemberOnline to find out more about MAZ.

In addition, we are currently working on a range of website improvements including an enhanced investment and performance section.

We have also continued to make good progress with our review of administration systems and processes. Many of the member account inaccuracies identified by this review have now been corrected, and the review is scheduled to conclude mid-2012. Your patience while we have been conducting this review is appreciated. I can confirm that the review will place us in a much better position to meet our obligations and deliver on our commitment to provide excellent service to members.

We remain dedicated to you

As the only superannuation fund solely dedicated to people working in the higher education and research sectors, we remain committed to offering the right mix of retirement planning products, services and information to support you throughout your working life and beyond. I hope you find this edition of *Super Informed* enjoyable and informative.

Terry C. McCredden
Chief Executive Officer

¹ Based on the three, five and 10 year returns for the UniSuper pre-mixed investment option

² Past performance is not an indicator of future performance.



After more than four years as an independent Director, Chris Cuffe became Chairman of the UniSuper board in mid June. He brings an incredible depth of experience to UniSuper and you will no doubt be hearing more from him in future issues of Super Informed. Here's a short overview of what he's achieved to date during his remarkable career.

Meet our new Chairman, Chris Cuffe

Having grown up as one of four children in the Riverina district of NSW, Chris started his career in August 1980 with chartered accountants Peat Marwick Mitchell & Co, now KPMG.

In what he has described as 'a fluke', in March 1985 he entered the fledgling funds management industry, joining Sydney Fund Managers Limited in the capacity of Company Secretary and Financial Controller and was later appointed a director in February 1986.

In August 1988 Chris joined First State Fund Managers, which was the newly formed funds management arm of the State Bank of NSW. In 1990 he assumed the position of Chief Executive Officer. During Chris' tenure as CEO, he transitioned Colonial First State Investments (as it was later renamed) from a small start-up operation to become Australia's largest investment fund manager. When Chris left Colonial First State in early 2003, the company was valued in excess of \$5 billion, managed nearly \$70 billion of investment funds on behalf of around 500,000 investors and employed more than 1,000 staff.

Chris joined what is now known as Challenger Financial Services Group Limited in 2003 in the capacity of Chief Executive Officer. A period of restructure followed which saw the company recapitalised, refocused and expanded with a new management team. Following the completion of this 'rebuild' phase, Chris stepped down from the Group Chief Executive Officer role in August 2004 to become Chief Executive of Challenger's wealth management business, a position he held until the end of June 2006.

In September 2006 Chris took a very different career move and joined Social Ventures Australia (SVA), an independent non-profit organisation that assists the development, effectiveness and efficiency of non-profit sector participants, including non-profit organisations, philanthropists and government. As a part-time executive of SVA, he currently heads up their Private Ancillary Fund service as well as being Portfolio Manager and Chairman of the SVA Future Trust (SVA's long term capital pool).

Aside from his role on the UniSuper board, Chris is also Chairman of Arkx Investment Management (a boutique Australian investment manager whose objective is to deliver attractive long term returns by investing in companies that benefit from the opportunities created by the transition to a low carbon global economy) and a director of Third Link Investment Managers Pty Limited (for whom he manages a publicly available managed investment fund, Third Link Growth Fund, and donates the management fees received to the non-profit sector).

Chris holds a Bachelor of Commerce from the University of New South Wales as well as a Diploma from the Securities Institute of Australia (now the Financial Services Institute of Australasia). He is a Fellow of the Institute of Chartered Accountants, the Financial Services Institute of Australasia and the Institute of Company Directors.

Chris received the Australian Fund Manager's RBS Hall of Fame Award in October 2007 for his contribution to the investment management industry.

A short Q & A with our new Chairman

1. What originally attracted you to UniSuper?

I always thought of UniSuper as the premier industry fund and had a lot of admiration for their investment team (and Colonial First State, who I had headed up, had been one of their investment managers). Also, I have always had a huge admiration for the academic sector and saw this as a way to assist and interact with them.

2. What do you see as the most critical issue facing the superannuation industry?

Right now it will be how we all react to the plethora of government enquiries/legislation that is upon us. But longer term there are other big issues we have in front of us such as providing suitable products for an ageing population (known as longevity products). And we have to provide participants with independent and professional financial advice at an affordable price.

3. If you could give your 18-year old self one piece of advice what would it be?

Assuming you mean financial advice, it would simply be start saving from a young age and live within your means - because you will highly value the freedom and choices it gives you later in life. If it is non-financial advice, it would be listen twice as much as you speak (this is why you were born with two ears and only one mouth!).

Masterpiece (or chef d'œuvre) refers to a creation that has been given much critical praise, especially one that is considered the greatest work of a person's career or to a work of outstanding creativity, skill or workmanship.

Make your financial future the 'masterpiece' you deserve

You're someone who has a plan, a blueprint, to help you strive for greatness in your work, your home life and in achieving your personal goals – yet too often the planning around your financial wellbeing is left to be dealt with at some date in the distant future.

Why shouldn't your financial future be the masterpiece you deserve?

Whether at work or in your personal life, before any masterpiece can be created, it needs a clear plan of direction - a blueprint. The same can be said for your financial future.

With the vast range of investment choices and financial information available today, it's important that you can access help that's right for your lifestyle, financial goals and stage of life and that's where UniSuper can make a difference for you.

While you already partner with UniSuper to create your retirement 'nest egg', did you know that through us you also have access to personal advice to help you achieve your complete financial goals?

Blueprint your financial future with the help of UniSuper Advice

At UniSuper, we understand that it can be hard to manage your finances on your own. That's why we've established a dedicated team to provide personal financial advice for members.

No matter what your current financial advice needs are or what you dream your financial future masterpiece should look like, the UniSuper Advice team can work in partnership with you to develop a tailored strategy, providing complete wealth solutions. Whether you want to build your wealth, secure your wealth or plan for retirement, the UniSuper Advice team can help you.

Build your wealth

Whether you're beginning your career, looking to purchase a property, invest in the share market, or some other form of financial commitment, it makes sense to start off on the right foot.

UniSuper Advice can guide you through each stage, ensuring you make well-informed decisions about the direction of your financial future. This may include superannuation basics, managing debt, and creating wealth through savings plans.

Secure your wealth

After working hard to create your wealth and build towards your financial masterpiece, advice may help ensure you make informed choices about how best to protect your wealth and continue building for the future.

UniSuper Advice can help you manage your cash flow and debt so that your money works harder for you. We can also work out what type of insurance cover you need and recommend the best investment options to suit your needs.

Plan for retirement

With Australians spending at least 20 years¹ on average in retirement, it's important to ensure you'll have enough money to live the life you want, without outliving your retirement savings or compromising the lifestyle you deserve.

UniSuper Advice can work with you to create a plan that will maximise your wealth during your retirement years.

Our advisers can assist you in creating a blueprint to suit your financial goals and help you achieve a smooth transition into the next phase of your life.

¹ Source: www.seniors.gov.au/internet/seniors/publishing.nsf/content/planning+for+your+retirement



HOW DOES THE COMPREHENSIVE ADVICE PROCESS WORK?

Our dedicated financial advisers will work with you through an initial five-stage process to help you achieve your financial masterpiece.

- 1. Initial assessment** – assess your financial situation, establish your needs, determine your future expectations.
- 2. Goal setting** – work with your adviser to determine your financial goals.
- 3. Developing a solution** – your adviser develops the strategy and plans how you can achieve your financial goals.
- 4. Implementing your plan** – work with your adviser to put your financial plan into action.
- 5. Regular review** – meet with your adviser regularly to maintain your financial plan and adapt your strategies to your lifestyle.

What to expect from UniSuper Advice

Once you contact our Financial Assessment Centre, a consultant from UniSuper Advice will spend some time with you to understand what it is you want to achieve. We understand that not everyone requires comprehensive financial planning therefore, once you've had an initial assessment, we can discuss the level of advice most suitable for you.

Take the time to highlight the things that are relevant to you and UniSuper Advice will be able to build a personal financial plan and create a tailored solution to help you on your way to achieving a masterpiece of a financial future.

Advice tailored to your needs

We understand that every UniSuper member is unique and as such offer varying levels of advice to ensure you receive the service best suited to your needs.

Three levels of advice are available to suit your situation, financial goals and needs.

1 General advice

This service is provided to UniSuper members as just one of the exclusive benefits of being a member. It includes general information about super and retirement income-stream options, UniSuper related information, and other super related information. This information is not tailored to your financial situation and is free of charge.

2 Simple advice

This fee-for-service advice is conveniently offered over the phone with one of our dedicated advisers at a time suitable to you. It covers limited personal financial issues such as super splitting, super spouse contributions, insurance, super investment options, and many more.

3 Comprehensive advice

This service is comprehensive, face-to-face financial advice. It covers personal financial issues relating to insurance cover, super and non-super investments, wealth creation, debt management and retirement planning. The costs of comprehensive advice will vary depending on your needs and financial goals.

Whether you need General advice, Simple advice, or Comprehensive advice, our team is available to help you design the blueprint for a masterpiece of a financial future.

Trust UniSuper

UniSuper Advice employs dedicated and professional private client advisers. Advisers only recommend financial products or services that do not have any commissions or allow the adviser to reduce the commission to zero. Where this is not possible and payment is received, every effort will be made to ensure it is rebated directly to you.

For further information on the services available through UniSuper Advice, their fees and charges and their obligations to you, please see our Financial Services Guide, which is available at www.unisuper.com.au/advice

Your financial future should be everything you dream it to be. Contact UniSuper Advice to help you design the blueprint for your 'masterpiece' of a financial future today. Our team of advisers operate Australia-wide and are ready to assist you.

Contact Details

Call us

UniSuper Advice on 1300 331 685 (local call cost) between 9.00am and 5.00pm, Monday to Friday.

If you're calling from outside Australia, please phone +61 3 9910 6290.

Email us

advice@unisuper.com.au

Find us online

Complete our online enquiry form at www.unisuper.com.au/contactadvice

Fax us an enquiry

1300 220 713

Post us a letter

P.O Box 9952 in your capital city

Help us update your details for your chance to win an Apple iPad!

You've told us that you would like to receive more communication from us and that email is your preferred vehicle. At UniSuper, we've listened to member feedback and are working towards enhancing the way we communicate with our members while ensuring we reduce our impact on the environment as much as possible.

This year we will be launching an online member newsletter packed full of information to help you better manage your super investment. If you're interested in being one of the first people to receive our newsletter, we need your up-to-date email address!

By providing us with your email address, you will also automatically go into the draw to win an Apple iPad.

Here's how:

Simply go to the website www.unisuper.com.au/superinformedpromotion and provide us with your:

- > member number;
- > name;
- > date of birth; and
- > email address.

Click that you accept the terms and conditions and not only will we now have your email address, but you might receive a call from us in October to tell you that you've won an Apple iPad 2 with Wi-Fi. How easy is that?



To enter the "Super Informed Promotion" you need to access the website www.unisuper.com.au/superinformedpromotion, complete the entry form and submit your details. By completing the entry you are agreeing that UniSuper will update your member contact details by adding your email address and that we may communicate with you via email for the purposes of promoting and improving our services. The closing date for the promotion is Monday 3 October 2011 at 5.30pm EST. The prize draw will be held at UniSuper Level 35, 385 Bourke Street, Melbourne, Victoria, 3000 on Wednesday 12 October at 2pm EST. Winners will be notified by phone and also writing. For full terms and conditions please access www.unisuper.com.au/superinformedpromotion/terms and note that the Promotion is authorised under permit numbers NSW LTPS/11/06138 & ACT TP11/02778.1.

Providing great value to members through top quartile investment performance¹

Underpinning our core value proposition is the combination of competitive long term investment returns and low fees.

UniSuper's Balanced Investment Option, which is where most accumulation accounts are invested, returned 8.9% for the year to 30 June 2011. The result has enabled us to maintain our top quartile performance¹ across all Australian super funds surveyed by SuperRatings over three and five year periods. Over a seven year period, Chant West ranks our Balanced Investment Option in the top 10 growth funds², outperforming a number of the (more expensive) major retail funds.

The solid returns for the financial year was pleasing given the spate of bad news, particularly in the second half of the year. The Japanese earthquake, tensions in the Middle East, and European sovereign debt issues all contributed to global economic instability and market volatility.

As a long term investor, we were able to navigate these problems without over reacting to the short term market movements. Relative to our industry peers, some of the key positions which we benefited from were:

- > A large overweight position in global technology companies (Apple remains our largest position). Given the very strong earnings recently announced we intend to hold, and potentially add to this position.
- > A higher (Australian Dollar) currency hedge ratio. Over the past 12 months the AUD has appreciated a massive 27% versus the USD.
- > A higher allocation to quality property with low leverage levels. These investments proved to be quite resilient "safe havens" when the equity markets were very weak.

At the time of writing the news is dominated by sovereign debt issues in Europe and the political deadlock in the US over the debt ceiling. While clearly another source of concern, we do not feel they represent the biggest risks to the outlook for asset markets. The key risk is, and will be for some time, the Chinese economy.

The Chinese Government and regulators (which are one and the same) have proven to be very adept at managing the economy, and indeed their efforts were a major contributing factor behind Australia's ability to navigate the financial crisis relatively well. However, the massive build up in liquidity, combined with a fixed undervalued exchange rate, is creating inflation. Consensus opinion is that the Chinese will be able to negotiate a soft landing of the economy which will in turn bring inflation under control. If the consensus proves to be correct we expect to see a significant rally in asset prices, notwithstanding the problems in Europe and the US. If, however, inflation turns out to be more persistent than expected and the Chinese are forced into more drastic tightening measures, asset prices will remain weak. We are currently backing the consensus, although will be quick to reposition if leading inflation indicators are telling a different story. All eyes are on China.

¹ Based on the SuperRatings survey published on 26 July 2011 for the period ended 30 June 2011.

² Based on Chant West Media Release dated 25 July 2011.

Past performance is not an indicator of future performance. It does not take into account any subsequent revisions or corrections made by SuperRatings or Chant West. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members.

Access your super online

MemberOnline is a powerful tool for updating your details and managing your retirement savings anywhere, anytime. If you have never used MemberOnline simply visit UniSuper's homepage and register to get started.

All the tools and help you need are available at www.unisuper.com.au



Note: Some members may currently be unable to access MemberOnline due to the ongoing member administration system and process review.

Investment in focus: Retail property

Don't feel guilty next time you head out for a bit of retail therapy at your local shopping centre, chances are you just might actually be a part owner of it through your UniSuper superannuation investment. Spending up at the shops, might just be contributing to your retirement!

Property, with its local economic influences, tends to perform differently to the other major asset classes such as shares and fixed interest, which tend to be more connected to global economic events. This makes it a very important asset class to include in a well-diversified portfolio.

UniSuper invests in a diversified range of direct (unlisted) property and listed property trusts, providing you, through your superannuation, with an exposure to a vast number of high quality commercial properties such as office towers, shopping centres and industrial warehouses.

The unlisted portfolio has long maintained a bias towards retail property. "Its high quality shopping centres that we at UniSuper are particularly passionate about," said UniSuper's Head of Property and Private Markets, Kent Robbins.

Given this retail focus, UniSuper's in-house investment team has recently made significant concentrated investments in stock market listed property trusts with exposures to quality Australian retail portfolios. "Given our bias towards holding high quality shopping centres in our unlisted property portfolio," said Robbins, "it seems logical to increase our investment in some of the best listed shopping centre portfolios in the country which are currently trading at a significant discount to their underlying asset value."

Low consumer sentiment is also weighing on the listed retail sector's pricing. "We view this as an opportunity," said Robbins. "The consumer is currently cautious, but the fundamentals are strong with low unemployment and a very high household saving rate. We therefore believe that the consumer will feel confident enough to start spending again soon."

Chadstone Shopping Centre photographed by Timothy Burgess

INTERESTING FACTS:

All Australians shop. In 2010, Australians spent \$280 billion in shops.

The Australian retail industry is a central part of the Australian economy, employing 1.25 million people or almost 11% of the working population.

Since 1985¹, the Australian retail property sector returned an impressive average annual return of 12.8%, outperforming office and industrial property, and even Australian shares².

¹ When the industry commenced measuring the performance of commercial property.

² Source: IPD, Bloomberg. As at 31 March 2011.

So why invest in shopping centres?

Over the long term, retail property has historically delivered the highest real and absolute returns with the lowest volatility of all commercial property types (see chart below). It has even outperformed Australian shares over the period shown.

Robbins explained, "a key attribute of shopping centres is their stable rental income streams, which typically rise by more than the inflation rate, and are derived from great retailers such as Coles, Woolworths, David Jones, Myer, Country Road, Target, JB Hi-Fi and Apple. Also, high quality shopping centres have remained at close to full occupancy over the past few years, even through the global financial crisis."

The location of a shopping centre is an inherent part of its value. A shopping centre situated on a large block of land, surrounded by residential housing, offering convenient access and parking, has a high level of protection from new supply or competition. Robbins added, "It's extremely difficult for a competitor to buy enough land and get the necessary planning approvals to effectively compete against great established centres such as Chadstone Shopping Centre or Westfield Bondi Junction."

"Managing shopping centres is now a sophisticated science," Robbins said. "The best operators are very hands on, constantly working to improve the retail mix and upgrade the centre to cater for changing consumer demands. Ultimately, this improves retail sales, which means increased rents."

"What's more," Robbins added, "expanding existing shopping centres is often less risky than developing new office and industrial properties. Prior to commencing a shopping centre expansion, landlords typically have pre-agreed leases with major retailers, and also have a good idea about the demand from the specialty retailers."

What about the impact of online shopping?

We've certainly taken an active interest in the rise of online shopping. Currently, online shopping is estimated to represent only around 3 to 5% of retail sales in Australia, and in more mature markets such as the US and UK, it accounts for between 5 and 10% of sales. However, preliminary views from various market commentators are that while internet retailing may have some impact on the sales growth of shopping centres, this impact is likely to continue to be relatively moderate. Moreover, it may actually present opportunities for existing retailers and landlords to attract shoppers by refocusing on great customer service and convenience, and through the use of new technologies such as social media.

History has shown that shopping centres have adapted and evolved to meet changes in shopping demands, and we believe there will be further changes to come as a result of online shopping.

We believe shopping centres will continue to offer a real point of difference over the internet through the actual experience of shopping. Nothing can replace being able to touch, smell, taste or try-on an item before purchase. Mr Robbins added, "shopping centres are an important form of social infrastructure that provide the community with a safe and convenient place to shop, eat, socialise and be entertained."

The Greening of Shopping Centres

Finally, shopping centres are getting greener. "As with other forms of commercial property, we encourage all our managers to introduce environmentally sustainable measures. We believe it is not only good for the environment, but ultimately enhances and protects the investment," said Mr Robbins. A range of initiatives are being introduced in shopping centres to reduce energy and water usage and boost recycling. These include energy efficient lighting, rainwater harvesting, water flow restrictors, waste recycling, composting of food waste, and upgrading equipment such as air conditioning systems.

WHAT SHOPPING CENTRES MIGHT YOU PARTLY OWN?

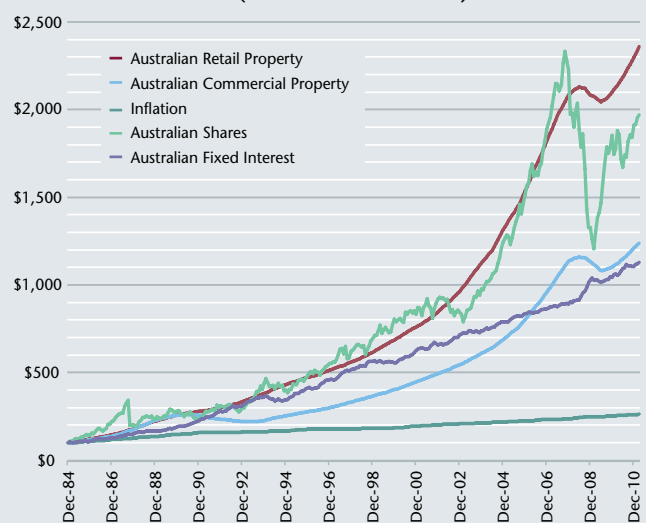
You name it, UniSuper has exposure to it! In our unlisted property portfolio, members own interests in great centres such as:

- > Karrinyup (WA)
- > Westfield Marion (SA)
- > Highpoint (VIC)
- > Macarthur Square & Erina Fair (NSW)
- > Westfield Carindale & Sunshine Plaza (QLD).

Through our stock market listed property investments, members also have exposure to a vast number of quality shopping centres including:

- > Chadstone, Westfield Doncaster & Melbourne Central (VIC)
- > Westfield Bondi Junction, Westfield Sydney & Westfield Penrith (NSW)
- > Myer Centre Brisbane (QLD)
- > Casuarina Square (NT).

Value of \$100 Invested (Dec 1984 – Mar 2011)



Past performance is not an indication of future performance. The graph shows index returns (not UniSuper investment returns) assuming reinvestment of distributions and does not take into account transaction costs or taxes. No adjustment has been made on account of inflation.

Indexes used: Property Council / IPD Australia All Property Index, Property Council / IPD Australia Property Retail Sub-Index, Australian Consumer Price Index, ASX All Ordinaries Index and the UBS Australian Composite Bond Index.

Retire your way

A couple of years ago UniSuper designed and executed some research to better understand what retirement means to our members and interestingly the results put UniSuper members in a different category to most members of other industry funds.

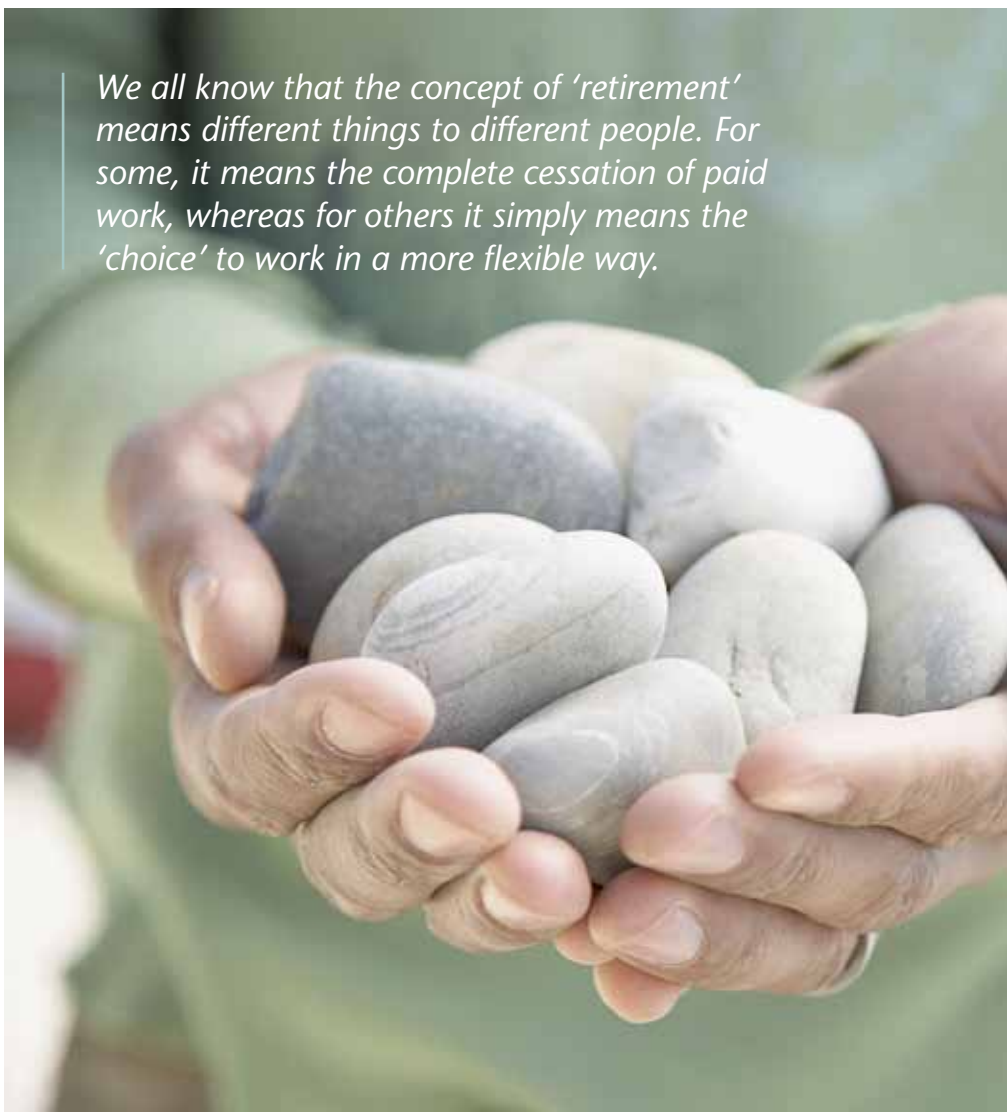
Based on our qualitative research, we believe that people who work in the field of higher education and research are more passionate about their work than the general population. For many of you, work is closely tied to personal identity and self esteem. Work is more than just a means to earn money and therefore something that many people won't consider giving up in its entirety.

Many UniSuper members never intend to 'retire' completely instead opting to gradually cut down their working hours using a variety of structures such as working fewer days or hours per week, taking entire semesters off to travel, and working flexible hours on projects.

Upon reaching retirement age, many members see an opportunity to focus on aspects of work which they enjoy such as research and mentoring and reduce the aspects of work which they dislike such as administration, committees and marking. UniSuper members are truly redefining what retirement actually means to them.

To enable a reduction in work hours, while maintaining your current income, you may be interested in finding out more about accessing your super savings through a transition to retirement pension.

We all know that the concept of 'retirement' means different things to different people. For some, it means the complete cessation of paid work, whereas for others it simply means the 'choice' to work in a more flexible way.



A way to work less while maintaining your lifestyle

There's no need to retire if you're not ready! Instead, you may be able to access some of your superannuation while you're still working through a government policy called 'Transition to Retirement' (TTR). TTR allows you, subject to meeting certain criteria such as reaching your preservation age (see table below), to access your super as a non-commutable pension while you're still working.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
1 July 1964 or after	60

For members who qualify, there are essentially two ways to use a TTR:

1. Keep working and boost your super in a tax-effective way (even if you're not contemplating actually retiring). The TTR rules can enable you to maintain your current level of work, access a pension income and salary sacrifice increased amounts into your super. This strategy can be structured to ensure there's little change to your current take-home income.
2. Transition gradually into retirement. You can gradually reduce your work hours and ease into retirement while supplementing your income with your superannuation benefits.

Different rules for accessing a TTR exist depending on whether you are a Defined Benefit Division (DBD), Accumulation 1, Accumulation 2 or a Spouse member – so it's important that you obtain advice for your personal situation.



Access the right advice for you

Even if your retirement is many years away, it may be worthwhile considering now what retirement is likely to mean to you. Is work your passion and something that you'd never want to walk away from entirely? Will you want to completely cease working at the first possible moment? Are you going to want to gain access to your retirement savings once you reach your preservation age and still work? Are you already in the situation where you'd like to reduce your working hours but maintain your current income?

Getting the right advice for your situation is extremely important. To ensure you structure your savings in the most beneficial way for you, contact the UniSuper Advice team on 1300 331 685. You can read more about what UniSuper Advice may be able to do for you in the article 'Make your financial future the masterpiece you deserve' on page 4.

Important information for members

Introduction of a temporary Flood Levy

The Federal Government has introduced a Temporary Flood and Cyclone Reconstruction Levy (Flood Levy) of up to 1% for the 2011/2012 financial year only.

The Flood Levy applies to individuals with a taxable income over \$50,000 in the 2011/2012 financial year.

How is the Flood Levy applied to my superannuation?

Your super will not be affected by the Flood Levy unless you claim a lump sum payment or you are paid a pension payment or other benefit with a taxable component in the 2011/2012 financial year. The Flood Levy, however, does not apply to an amount that is tax free such as a lump sum or pension payment you take when you are 60 or over, or a lump sum death benefit paid to a beneficiary who is your dependant for tax purposes.

The amount of tax UniSuper is required to withhold from superannuation benefits you take in the 2011/2012 financial year incorporates the Flood Levy.

If you are exempt from the Flood Levy, you may lodge a Flood Levy exemption declaration with UniSuper which you can obtain from the ATO website at www.ato.gov.au.

Before you withdraw any benefits, UniSuper recommends that you obtain taxation advice from a registered tax agent.

Federal Budget 2011 – changes to super

Not surprisingly, given the changes to super the government has made in recent years, few changes were announced in the 2011 Federal Budget.

The key announcements related to superannuation include:

- > new rules affecting those who have made excess concessional contributions in 2011/12 and later years;
- > changes proposed to the contribution caps for the over 50s for 2012/2013;
- > the introduction of mandatory superannuation information on payslips; and
- > the ability for superannuation fund trustees to make greater use of tax file numbers (TFNs) to locate member accounts and facilitate the consolidation of multiple accounts.

For detailed information on the 2011 Federal Budget changes and how they may affect your super account, please see the 2011 Budget Fact Sheet available on the UniSuper website at www.unisuper.com.au/budget2011

continued over >

Important information for members continued

Where can I get more information?

If you would like more information, please see the *Changes to the rules affecting members when they leave their job* fact sheet available at www.unisuper.com.au or call the UniSuper Helpline on 1800 331 685.

Changes to the rules affecting members no longer eligible to contribute to the Defined Benefit Division (DBD)

We have made changes to the rules that apply to DBD members who have ceased contributing membership effective 1 March 2012.

Ceasing contributing membership refers to DBD members who have ceased employment or whose employment conditions have changed to cause the member to no longer be eligible to contribute as a DBD member.

What are the changes?

The main changes for affected DBD members are summarised below:

- > The option period to defer a DBD benefit or transfer into an Accumulation 1 account has been amended. This period will be the later of 90 days after ceasing to be a contributing member or 30 days after being notified by the Trustee about the options available to transfer or defer a benefit. This change ensures members are notified of their options prior to the expiry of the option period.
- > Generally, members who elect to transfer their defined benefit component balance to Accumulation 1, or choose to access their benefits within the option period, will be treated as if their benefits were deferred from the time of ceasing to be a contributing member to the date of transfer to Accumulation 1 or the date of benefit payment.
- > The benefits of DBD members who elect to transfer their defined benefit component to an Accumulation 1 account or receive a benefit payout will generally be adjusted through a combination of factors including CPI indexation and age-based lump sum factors to the date of processing the transfer or benefit payment. However, if an eligible DBD member elects to receive a defined benefit indexed pension under the Trust Deed, returns will be credited at UniSuper's cash investment option rate on any portion of their benefit received as a lump sum to the date of processing the transfer to Accumulation 1.
- > Irrespective of whether they elect to defer, members will still be subject to the three year pre-existing medical condition exclusion on inbuilt death and disablement benefits if they recommence contributing membership in the DBD more than 90 days after previously ceasing contributing membership.

The UniSuper 2010/2011 annual report will be available from October at www.unisuper.com.au. If you would like a printed copy of the report, please call the UniSuper helpline on 1800 331 685 and we will send one out to you free of charge.

SuperRatings, an industry benchmarking and research company, has awarded UniSuper a Platinum rating as one of Australia's best value-for-money funds.



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