



ACTIVE SUPER LIFETIME GUARANTEED AND FIXED TERM GUARANTEED INCOME

Product Disclosure Statement

15 May 2023

Michael

Active Super member since 2017





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Product Disclosure Statement

Target Market Determinations (TMD) for our financial products can be found at activesuper.com.au and include a description of who this financial product is appropriate for.

15 May 2023. This document has been issued by LGSS Pty Limited (ABN 68 078 003 497) (AFSL 383558), as Trustee for Local Government Super (ABN 28 901 371 321), ('Active Super'). This document contains general advice only and is not a substitute for personal advice as it does not take into account any individual's investment objectives, financial situation or particular needs. You should obtain advice tailored to your personal circumstances. Accordingly, before you make a decision about the product you should consider the information in this PDS and, if necessary, obtain advice tailored to your personal circumstances.

ABOUT THIS PRODUCT DISCLOSURE STATEMENT

This Product Disclosure Statement (PDS) provides you with an overview of Active Super Lifetime Guaranteed Income and Active Super Fixed Term Guaranteed Income, which are collectively referred to in this PDS as Active Super Guaranteed Income accounts.

This PDS will help you assess the benefits and risks of starting an Active Super Guaranteed Income account and compare it with other retirement income products. We strongly encourage you to read this document in full before making an investment decision. Factual information is provided on Centrelink entitlements.

The information contained in this PDS is general information only and should not be considered to be personal advice as it does not take into account your individual financial objectives, financial situation or needs. Accordingly, you should seek professional personal advice and consider all risks before making any financial decisions.

OBTAINING UP-TO-DATE INFORMATION

The information contained in this PDS and in the fact sheets is current at the time of preparation. However, some of the information may be subject to change from time to time including between the time you read this PDS and the day when you acquire the product. Any changes that aren't adverse to you may be updated on our website at activesuper.com.au and a paper copy of the changes will be provided on request at no extra charge.



IMPORTANT NOTICES

When you invest in an Active Super Guaranteed Income account, your money is invested in a life policy issued to the Trustee by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (Challenger Life), a life insurance company regulated under the *Life Insurance Act 1995* (Cth). Challenger Life is authorised by the Australian Prudential Regulation Authority (APRA) to operate a life insurance business in Australia. All references to guarantees in relation to benefits provided by the Active Super Guaranteed Income accounts are supported by payments made to Active Super in accordance with the life policy issued by Challenger Life. An investment in Lifetime Guaranteed Income is designed to be treated as an 'innovative' superannuation income stream governed under pension rules.

Challenger Life's ultimate parent is Challenger Limited (ABN 85 106 842 371). Neither Challenger Limited nor any other company within the Challenger group of companies guarantees the performance of Challenger Life's obligations or assumes any liability in connection with the life policy issued to Active Super.

In the event of any inconsistency between the terms of the PDS and the governing rules of the Active Super Guaranteed Income accounts, including the LGS Trust Deed, the governing rules of the Active Super Guaranteed Income accounts will prevail.



IMPORTANT INFORMATION

QUALITY SERVICE

Services available to members include a dedicated website, a professional contact centre, ready access to salaried financial planners, seminars, annual statements and newsletters. Active Super directly and actively monitors the administration services it provides and welcomes feedback from members regarding these services.

COMPETITIVE COSTS

Active Super operates on a profit-to-members basis. It does not have any entry fees and considers that the total fees charged are competitive in the superannuation industry.

DISCLAIMER

The Trustee, as issuer of the Active Super Guaranteed Income accounts, does not provide any guarantee in respect of the accounts. In order to pay you your entitlements in respect of an Active Super Guaranteed Income account, Active Super relies wholly on Challenger Life to fund your agreed income amounts, any withdrawal value you request and any residual capital value (for the Active Super Fixed Term Guaranteed Income). If, for any reason, Challenger Life is unable to pay these amounts to Active Super, then Active Super will be unable to pay you your regular income payments, withdrawal value or residual capital value. Under no circumstances will Active Super pay your entitlements if Challenger Life is unable to fund these entitlements.

INTERPRETATION

In this PDS:

- Active Super is referred to as 'Active Super'
- the Active Super Lifetime Guaranteed Income and Active Super Fixed Term Guaranteed Income are collectively referred to as 'Active Super Guaranteed Income account'
- the Trustee, LGSS Pty Limited, is referred to as 'the Trustee', 'we' and 'us'
- members are referred to as 'you' and 'your'
- all monetary amounts referred to in this document are in Australian dollars, unless otherwise specified.

ABOUT ACTIVE SUPER

OVERVIEW

Active Super was established as a profit-to-members industry scheme under a trust deed on 30 June 1997 ('Trust Deed'). The Trustee is solely engaged in the management and control of Active Super and its assets for the benefit of members. When you join, you are bound by the Trust Deed.

The Active Super Guaranteed Income accounts are provided under Division F of the Trust Deed.

Active Super is regulated primarily by *Superannuation Industry (Supervision) Act 1993* (Cth).

ABOUT THE TRUSTEE

LGSS Pty Limited (ABN 68 078 003 497) is the Trustee of Local Government Super (ABN 28 901 371 321), trading as Active Super.

The Trustee manages approximately \$13.5 billion in superannuation assets for around 87,000 members. Whilst the size of Active Super is not a guarantee of security or performance, it gives the trustee cost effective access to professional advice, administration and monitoring services. The Trustee is a profit-to-members company solely engaged in the management and control of Active Super and its assets for the benefit of members.

The Trustee is responsible for managing Active Super, including the safe keeping of assets and ensuring Active Super operates in accordance with the Trust Deed and superannuation law.

The Trustee is an APRA Registrable Superannuation Entity Licensee and is also the holder of an Australian Financial Services Licence (licence no. 383558).

The Trustee engages external experts such as investment advisers, investment managers, administrators, custodians, accountants, solicitors and auditors to assist with its obligations.

The Trustee is located at:

Level 12
28 Margaret Street
Sydney NSW 2000

Contact details:

Phone: 1300 547 873
Web: activesuper.com.au

ABOUT THE OTHER SERVICE PROVIDERS

The administrator of Active Super is the Link Group which attends to the day-to-day operations under a written service agreement.

Active Super has relationships with two custodians: J.P. Morgan Nominees Australia Ltd and Pacific Custodians Pty Ltd. Both custodians hold Active Super's assets under written service agreements.

FEATURES AT A GLANCE

Active Super Guaranteed Income accounts have a variety of features to suit your needs, as shown in the table below. The features you choose affect the dollar amount of the regular payments you receive. For more information on each account, see pages 9 to 13.

	ACTIVE SUPER LIFETIME GUARANTEED INCOME	ACTIVE SUPER FIXED TERM GUARANTEED INCOME
Type of product	Non-account based pension.	Non-account based pension.
Who can start an account?	Members aged 60 or over who have access to unrestricted non-preserved superannuation money.	Members aged 60 or over who have access to unrestricted non-preserved superannuation money.
Minimum term	Your lifetime or the lifetime of you and another person.	1 to 40 years.
Minimum investment amount	\$10,000	\$10,000
Payment indexation	You can have your regular payments adjusted: <ul style="list-style-type: none"> • fully in line with changes in the consumer price index (CPI), • partially in line with changes in the CPI, or • not at all. 	If your chosen investment term is at least two years and you choose to have all your capital returned to you as part of your regular payments throughout the term, you can also have your regular payments adjusted: <ul style="list-style-type: none"> • fully in line with increases in the consumer price index (CPI), or • by a fixed whole percentage rate of up to 5%.
Payment frequency	You can receive payments monthly, quarterly, half-yearly or yearly.	You can receive payments monthly, quarterly, half-yearly or yearly.
Additional investment	You cannot add to your Active Super Lifetime Guaranteed Income account once it starts. However, you can start a new account with additional funds.	You cannot add to your Active Super Fixed Term Guaranteed Income account once it starts. However, you can start a new account with additional funds.
Capital repayment	Capital is repaid to you over the investment term as part of your regular payments.	You can have some or all of your capital repaid to you (as part of your regular payments) throughout the investment term or have all of your capital repaid to you at the end of the investment term.
Voluntary withdrawals	You can fully withdraw within the withdrawal period. However, you cannot make a partial withdrawal.	You can fully withdraw before the end of the investment term. However, you cannot make a partial withdrawal.
Beneficiary nomination	You can nominate a beneficiary or beneficiaries to receive any remaining benefits if you die. You can: <ul style="list-style-type: none"> • nominate your spouse as your reversionary beneficiary at the time you apply for the account, or • make a binding death benefit nomination. 	You can nominate a beneficiary or beneficiaries to receive any remaining benefits if you die. You can: <ul style="list-style-type: none"> • nominate your spouse as your reversionary beneficiary at the time you apply for the account, or • make a binding death benefit nomination.
On death	If you die and you have elected reversionary spouse payments, regular payments (after any benefit reduction) are payable for the lifetime of your spouse. If you die before the withdrawal period has ended and you have not elected reversionary spouse payments, a lump sum death benefit is payable. If you die after the withdrawal period has ended and you have not elected reversionary spouse payments, no death benefit is payable and your account ceases.	If you die and you have elected reversionary spouse payments, regular payments (and any residual capital value) are payable to your spouse. If you die and you have not elected reversionary spouse payments, the remaining benefits are payable to your dependants and/ or your legal personal representatives.

BENEFITS OF ACTIVE SUPER

The benefits of Active Super Guaranteed Income accounts are set out below. These benefits should be considered along with the risks on page 8.

REGULAR PAYMENTS

In exchange for an initial capital investment, an Active Super Guaranteed Income account provides regular payments for a fixed term or for your lifetime.

You can also choose to have regular payments paid to your spouse, known as reversionary payments, in the event that you die before your spouse. Your spouse can continue to receive payments:

- until the end of the fixed term, if you were receiving an Active Super Fixed Term Guaranteed Income, or
- for the lifetime of your spouse, if you were receiving an Active Super Lifetime Guaranteed Income.

The initial amount of your regular payments is determined at the time you open an Active Super Guaranteed Income account; it will depend on the initial capital investment, the account options you choose, prevailing interest rates and, if you have an Active Super Lifetime Guaranteed Income account, your life expectancy (and the life expectancy of any reversionary spouse). The dollar value of your regular payments can change over time if you choose an indexation option or, if you have an Active Super Lifetime Guaranteed Income account, a benefit reduction option.

MARKET AND INFLATION PROTECTION

Active Super Guaranteed Income accounts can provide you with the comfort of knowing you will receive regular payments for your chosen fixed term or your lifetime, regardless of how investment markets perform. You will not bear any market risk in relation to how your capital is invested. For more information please refer to 'How your money is invested' on page 23.

If you choose an indexation option, your Active Super Guaranteed Income account can also help protect you against inflation reducing the purchasing power of your regular payments.

LONGEVITY PROTECTION

An Active Super Lifetime Guaranteed Income account provides you a regular income that can last for your lifetime. Your regular payments are guaranteed, even if you live longer than expected.

If you choose to include reversionary spouse payments and your spouse survives you, regular payments continue to be made to your spouse after your death.

ACCESS TO YOUR MONEY

If your circumstances change or you simply change your mind, you can withdraw from your Active Super Guaranteed Income account during your withdrawal period and receive a lump sum payment.

The withdrawal value varies over time and you are likely to receive less money than you invested or what you might have received had you continued to hold your account until the end of the fixed term or your lifetime.

An Active Super Lifetime Guaranteed Income account ceases to have a withdrawal value after the end of the withdrawal period.

Once you are paid the withdrawal value, your account ceases and no further payments will be made.

For more information on withdrawing from an Active Super Guaranteed Income account, please refer to page 17.

COMPETITIVE RATES

The dollar value of your regular payments is based on competitive rates. It will depend on the initial capital investment, prevailing market conditions (such as interest rates at the time you start your account), the account options you choose and, if starting an Active Super Lifetime Guaranteed Income, your life expectancy (and the life expectancy of any reversionary spouse). Some options can give you higher or lower payments, depending on the options you choose. For more information on account options, please refer to pages 9–13.

DEATH BENEFITS

You can choose to have regular reversionary payments paid to your spouse in the event you die before your spouse. If you don't elect reversionary payments and you die within the withdrawal period or fixed term, any remaining benefits are payable in accordance with your death benefit nomination or, if you do not have a current binding death benefit nomination, at the Trustee's discretion. Please refer to the 'Your account on death' section on page 19.

RISKS OF ACTIVE SUPER GUARANTEED INCOME ACCOUNTS

All investments carry some risk. The appropriate level of risk for you will depend on factors such as your age, financial goals, investment timeframe, where other parts of your wealth are invested and your risk tolerance. Listed below are the key risks that you should take into account when deciding whether to open an Active Super Guaranteed Income account.

WITHDRAWAL RISK

This is the risk that if an account is withdrawn (voluntarily or on death), the amount paid is significantly less than the amount you invested, even after taking into account payments you have already received or what you might have received had you continued to hold your account until the end of the fixed term or your lifetime.

The withdrawal value will vary over time as the amount payable depends on how long you've held the account and the prevailing rates at that time.

An Active Super Lifetime Guaranteed Income account ceases to have a withdrawal value after the end of the withdrawal period.

For more information on withdrawing from an Active Super Guaranteed Income account, please refer to page 17.

COUNTERPARTY RISK

This is the risk that Challenger Life, the issuer of the life policy in which all investments in the Active Super Guaranteed income accounts are invested, becomes unable to meet its commitment to Active Super in making the guaranteed payments. However, Challenger Life is subject to legislative and regulatory requirements that are designed to ensure that this does not occur.

Challenger Life is regulated under the *Life Insurance Act 1995* (Cth) (Life Act) (which governs the provision of annuities in Australia) and the prudential standards made under it, which prescribe minimum capital and solvency requirements for Challenger Life as well as for the life policies it writes.

The Australian Prudential Regulation Authority (APRA) actively supervises Challenger Life's compliance with these requirements, which are designed to ensure that Challenger Life is able to meet its obligations to investors, including Active Super. For example, Challenger Life is required to hold enough capital to withstand a one in 200-year shock event.

Even so, unforeseen and extreme circumstances that might impact Challenger Life's ability to make payments to Active Super can never be completely ruled out.

For more information on how your money is invested, please refer to page 23.

INFLATION RISK

This is the risk that the real value of your regular payments doesn't keep up with inflation, effectively reducing your purchasing power.

To help manage this risk, we offer a number of indexation options. Choosing an indexation option will generally reduce the amount of your initial regular payments, but they will increase during times of high inflation. For more information, see 'Indexation' on pages 10-13.

ACTIVE SUPER GUARANTEED INCOME ACCOUNT OPTIONS

An Active Super Guaranteed Income account offers a variety of options, so you can tailor it to meet your needs. The dollar value of the regular payments you receive depends on the options you choose, which are explained below. Once you have chosen your options when you open your account, they cannot be changed, although you can amend a beneficiary nomination.

ACTIVE SUPER LIFETIME GUARANTEED INCOME ACCOUNT

An Active Super Lifetime Guaranteed Income account gives you a regular cash flow for life, regardless of how long you live or how investment markets perform. You can also access a part of your capital for a chosen period. You can choose to invest for your lifetime or the lifetime of you and another person.

Payment frequency

You can choose to have your regular payments paid monthly, quarterly, half-yearly or yearly. Your regular payments are made to your nominated bank account at the end of each payment period. If you do not make a selection, the default payment frequency is monthly.

Withdrawal period

Your withdrawal period is based on your life expectancy¹. During the withdrawal period:

- you can choose to cancel your account in return for a lump sum payment (see page 17),
- if you die and you do not have a reversionary spouse, a lump sum is payable (see page 17).

After the end of the withdrawal period, your account does not have a withdrawal value, you cannot withdraw voluntarily and a lump sum is not payable on death.

Your withdrawal period is determined when you apply for an Active Super Lifetime Guaranteed Income account and this period cannot be changed once the account has commenced.

The withdrawal period is based on your life expectancy (see page 32).

You can choose not to have a withdrawal period in return for higher regular payments. However, if you choose this option, your account cannot be voluntarily withdrawn and no amount is payable on death.

Nominating a beneficiary

You can nominate one or more beneficiaries to receive any remaining benefits if you die. You can:

- nominate your spouse as your reversionary at the time you apply for the account (after which you can cancel this nomination but cannot elect another person), or
- make a binding death benefit nomination.

For more information, please refer to page 21.

Benefit reduction

This option is only available if you have elected reversionary spouse payments.

With this option, you can choose to have regular payments due after your death paid at a reduced level. Reversionary payments made to your spouse will reduce by 33%. Your payments do not reduce if your reversionary spouse dies while you are still alive.

If you choose the benefit reduction option, you will generally receive higher regular payments while you are alive than you would otherwise have received.

¹ Calculated in accordance with the Australian Life Tables, rounded down to whole years then multiplied by 365 days. This may be different from what we estimate your life expectancy to be.

The benefit reduction applies only to regular payments. It does not apply to your withdrawal value or death benefit.

For example, if you are receiving regular monthly payments of \$1,000 prior to your death, monthly payments to your reversionary spouse will reduce to \$670 following your death.

Indexation

You can choose to have your regular payments adjusted annually in line with movements in the CPI². The adjustment occurs after each anniversary of the start of the Active Super Lifetime Guaranteed Income account. You can choose full indexation, partial indexation or no indexation. If you do not make a choice, the default applied is partial indexation.

Full indexation

This option enables you to have your regular payments indexed annually in line with movements in the CPI. The change will be applied to the first payment after each anniversary of the start of your Active Super Guaranteed Income account. If the CPI increases, your regular payments will also increase by that proportion. If the CPI decreases in any particular year, your regular payments will also decrease. See page 11 for an example.

Partial indexation

This option enables you to have your regular payments increased annually in line with any increase in the CPI that is greater than 2% and decreased annually in line with any decreases in the CPI. If the CPI increases but the increase is less than 2%, your regular payments will not change. If the CPI decreases, the full amount of the decrease will apply. If the CPI increases by more than 2%, your regular payments will increase by the increase in the CPI, less 2%. See page 11 for an example.

Any change will be applied to the first payment after each anniversary of the start of your Active Super Lifetime Guaranteed Income account.

Although your regular payments will not increase during periods of low inflation, and will decrease during periods of deflation, this option will provide some protection in periods of high inflation. Choosing this option will generally mean that you will receive higher initial regular payments, when compared to an account with full indexation and lower initial regular payments than an account with no indexation. However, as it is not possible to predict future movements in the CPI, it is also not possible to predict how your future payments might be impacted.

No indexation

This option fixes the dollar amount of your regular payments. By choosing this option, the regular payments will not change from year to year.

Choosing this option will generally mean you will receive higher initial regular payments when compared to an account with full or partial indexation. However, because the regular payments will not be adjusted, in periods of inflation, the purchasing power of your regular payments will reduce and your future regular payments could be less than if you had chosen full or partial indexation.

2. The change, if any, will be equal to the difference in the CPI between the second-last complete quarter before the day on which the indexation is to apply and the CPI for the same quarter of the immediately preceding year, expressed as a percentage. The CPI is the weighted average of the Eight Capital Cities Index as published by the Australian Statistician, to provide a general measure of price inflation for all Australian households. We reserve the right to adjust the index if there is a change in law which results in a material change to the CPI or its use. We do not cap CPI changes. The index used to calculate the CPI can be changed at any time. The CPI is only a proxy for inflation and does not exactly match actual price or wage inflation in the economy.

Indexation example

The following example illustrates the potential impact of full, partial or no indexation. It is based on an Active Super Lifetime Guaranteed Income account making monthly payments of \$1,000 to demonstrate the changes in those monthly payments when there are changes in the CPI³.

The example also shows the impacts of the different changes in the CPI to the monthly payments from the first anniversary of the start of the account.

	CPI INCREASES BY 1%	CPI DECREASES BY 1%	CPI INCREASES BY 3%	CPI DECREASES BY 3%
Full indexation	Monthly payments would increase to \$1,010 (an increase of 1%) effective from the 13th monthly payment. Monthly payments of \$1,010 apply for the second year.	Monthly payments would decrease to \$990 (a decrease of 1%) effective from the 13th monthly payment. Monthly payments of \$990 apply for the second year.	Monthly payments would increase to \$1,030 (an increase of 3%) effective from the 13th monthly payment. Monthly payments of \$1,030 apply for the second year.	Monthly payments would decrease to \$970 (a decrease of 3%) effective from the 13th monthly payment. Monthly payments of \$970 apply for the second year.
Partial indexation	The monthly payments would not be adjusted, so would continue to be \$1,000 for the second year.	As above	Monthly payments would increase to \$1,010 (an increase of 1%, which is the increase in CPI above 2%) effective from the 13th monthly payment. Monthly payments of \$1,010 apply for the second year.	As above
No indexation	The monthly payments would not be adjusted, so would continue to be \$1,000 for the second year.			

3. The change, if any, will be equal to the difference in the CPI between the second-last complete quarter before the day on which the indexation is to apply and the CPI for the same quarter of the immediately preceding year, expressed as a percentage.

ACTIVE SUPER FIXED TERM GUARANTEED INCOME ACCOUNT

An Active Super Fixed Term Guaranteed Income account gives you a regular cash flow for your chosen investment term, regardless of how investment markets perform. You also have the flexibility to withdraw at any time.

Investment term

You can choose to receive regular payments over a term of one to 40 years (in whole years), subject to the Government's minimum payment requirements. For an account with no residual capital value, the maximum term must be no greater than the number of whole years until you reach age 100.

Payment frequency

You can choose to have your regular payments monthly, quarterly, half-yearly or yearly. An account with a term of one year must have payments made monthly, quarterly or half-yearly. Your regular payments are made to your nominated bank account at the end of each payment period. If you do not make a selection, the default payment frequency is monthly.

Capital repayment

The initial capital you use to start the account can be repaid to you:

- throughout the investment term as part of your regular payments,
- at the end of the investment term, or
- a combination of both.

When you apply to invest, you choose between 0% and 100% of your initial capital investment that you wish to receive at the end of the term. This is known as the residual capital value (RCV).

If you choose RCV100, all of your initial capital is repaid at the end of the term. If you choose RCV0, all your initial capital investment is repaid to you during the investment term (and none at the end). Because of this, an RCV0 account gives you higher regular payments but no capital at the end of the term, while an RCV100 account gives you lower regular payments but all your capital is returned at the end.

You can choose a combination of both capital repayment methods and your regular payments will adjust accordingly. For example, if you invest \$10,000 and choose to receive 90% of your capital back at the end of the term (RCV90), you will receive a capital repayment at the end of the term of \$9,000. Throughout the term you will have received the other \$1,000 of your initial capital as part of your regular payments (the precise amount of capital per payment will depend on the investment term and the frequency).

Depending on prevailing interest rates, you may be required to choose an RCV that is lower than 100% in order for your payments to meet the Government's minimum payment standards. Please see page 14 for more information.

Indexation

If you choose to have all of your capital repaid throughout the investment term (RCV0) and the term is at least two years, you can choose to have your regular payments indexed annually. The increase can either be in line with increases in the CPI⁴ or by a fixed percentage between 1% and 5%. The increase applies to the first payment after each anniversary of the start of the account and applies to the dollar amount of the regular payments as at the anniversary date.

If you choose to index in line with CPI and the change in the CPI is negative, then your regular payments won't reduce. If there is a negative change in the CPI in a given year, the next time we calculate the indexation, the portion of any increase that will apply to your regular payments will be the increase in the CPI since the last time we applied indexation to your regular payments.

If you choose fixed indexation, your regular payments are increased by your chosen percentage each year. If you do not choose indexation, your regular payments aren't adjusted, which means that in periods of inflation, the purchasing power of your regular payments are reduced and your future regular payments could be less than if indexation has been applied.

By choosing indexation, your initial regular payments are lower than if you start an account without indexation. The payments should increase over time, however, you should note that the CPI may decrease in any particular quarter.

Indexation example:

If you are receiving monthly payments of \$1,000 and you have chosen 3% indexation, then on the first anniversary of the start of the account your monthly payments would increase to \$1,030 (an increase of 3%), effective from the 13th monthly payment. The account then makes monthly payments of \$1,030 throughout the second year of your account. On the second anniversary your monthly payments would increase to \$1,060.90 (a further 3% increase) throughout the third year of your account. This process continues annually for the investment term.

Nominating a beneficiary

You can nominate one or more beneficiaries to receive any remaining benefits if you die. You can:

- nominate your spouse as your reversionary at the time you apply for the account (after which you can only cancel this nomination but you cannot elect another person), or
- make a binding death benefit nomination.

For more information, please refer to page 21.

4. The CPI is the weighted average of the Eight Capital Cities Index as published by the Australian Statistician, to provide a general measure of price inflation for all Australian households. We reserve the right to adjust the index if there is a change in law which results in a material change to the CPI or its use. We do not cap CPI changes. The index used to calculate the CPI can be changed at any time. The CPI is only a proxy for inflation and does not exactly match actual price or wage inflation in the economy. To determine the increase in the CPI to apply to your regular payments, we calculate the difference in the CPI between the second-last complete quarter before the day on which the indexation is to apply and either the CPI for the same quarter of the immediately preceding year or the CPI used for the previous increase, and express this as a percentage.

ESTABLISHING, MANAGING AND WITHDRAWING FROM YOUR ACCOUNT

ESTABLISHING YOUR ACCOUNT

To establish an Active Super Guaranteed Income account, you must be aged 60 or over and the money used to establish the account must be 'unrestricted non-preserved' superannuation money held in another Active Super account (such as the Active Super Accumulation Scheme or Active Super Account-Based Pension Plan).

The regular payments you receive from your account may need to meet the Government's minimum payment standards, as shown in the table below:

AGE	MINIMUM ANNUAL REGULAR PAYMENTS (% OF THE INITIAL CAPITAL INVESTMENT)
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95 and over	14%

If you invest in an Active Super Fixed Term Guaranteed Income account with no RCV, the minimum payment standards must be met in the first year of the account only.

If you invest in an Active Super Fixed Term Guaranteed Income account with an RCV, the minimum payment requirements must be met in each year of payment. If you invest in an Active Super Lifetime Guaranteed Income account, the minimum payment standards do not apply.

The regular payments shown on the quotes provided by your financial planner will meet these minimum payment standards.

Once your account starts, the first payment will be made at the end of the payment frequency you have chosen. For example, if you choose to be paid monthly, the first payment is made one month after the account starts. If you choose to be paid annually, the first payment is made on the first anniversary of the start of the account.

HOW TO APPLY

You should read this PDS, speak with a financial planner and obtain a quote before deciding to start an account. Contact your Active Super financial planner on 1300 547 873 for an obligation-free quote. The regular payments offered are reviewed and updated regularly to reflect market conditions. Your quote is valid for 14 days from the date on which we provide it.

Your account is issued once we accept a valid application.

A valid application must include:

1. a completed and signed application form,
2. your quote (if your quote has expired, then your regular payments will be calculated on the day we process your application),
3. proof of your identity, requirements for which are outlined in the application form,
4. your capital investment, and
5. adequate rollover information, generally provided by the rollover institution, if rolling over money within the superannuation system.

If your valid application is received in our Sydney office before 3.00pm Sydney time on a NSW business day (the cut-off time), your application will generally be processed on that day. If your application and money are received after the cut-off time, or on a non-business day, your application will generally be processed on the next NSW business day.

MANAGING YOUR ACCOUNT

Information you will receive about your account

When you start your account, you will receive an investment confirmation letter and Account Schedule, which sets out your account details. We will also send you a Centrelink schedule for social security purposes. You should read these documents carefully and contact your financial planner if you have any questions.

While we take all care in producing your Account Schedule and other investment documentation, we reserve the right to correct the documentation if we make an administrative error.

Each year, you will receive an annual statement with details of your account, including payments made over the period and other relevant information.

If you invest in an Active Super Lifetime Guaranteed Income account, prior to the end of the withdrawal period and every six months thereafter, we will send you and any reversionary spouse you have nominated a form to complete to confirm as evidence of survival.

If you choose the benefit reduction option, you will be sent the form to complete every six months after the commencement of the account.

The form must be returned to us within 30 days of being sent. If evidence of survival is not provided to us, we reserve the right to discontinue any regular payments and/or cancel the account.

MAKING CHANGES TO YOUR ACCOUNT

You cannot change your account options once you have started your account. However you can amend your beneficiary nomination at any time. You may cancel a reversionary spouse nomination but cannot make a new reversionary spouse nomination. You cannot make additional deposits to your account, but you can start a new Active Super Guaranteed Income account on separate terms. It is also not possible to switch between Active Super Guaranteed Income accounts.

Keeping us informed

We need your current contact details for you, your reversionary spouse and your nominated beneficiaries so that you can receive important information about your Active Super Guaranteed Income account.

You can call Member Care on 1300 547 873 to update your contact details.

You can also write to us at:

Active Super (LGSS Pty Limited)
PO Box N835
Grosvenor Place NSW 1220

When your Active Super Fixed Term Guaranteed Income account matures

The last day of your Active Super Fixed Term Guaranteed Income account is called the maturity date. If you choose not to have any RCV, your account will end.

If you choose to have any RCV, we will notify you at least 30 days prior to your account maturity date. At this time you can choose to:

- roll over the RCV for a further term (providing the RCV exceeds the minimum investment requirements),
- start a new Active Super Lifetime Guaranteed Income or Active Super Fixed Term Guaranteed Income account with different options,
- roll over the RCV to an existing Active Super or other superannuation fund account, or
- have the RCV repaid to you as a lump sum.

If you choose to roll over the RCV for a further term, we may reduce your residual capital value or your selected term to ensure that your account continues to meet the Government's payment standards. If you do not confirm your choice before the end of your investment term, we will automatically pay the RCV into your existing Active Super Accumulation Scheme account. If you do not have an existing Active Super Accumulation Scheme account, we will open a new account for you and pay the RCV into this new account. Your new Active Super Accumulation Scheme account will be invested in the Managed Cash investment option and will not include automatic basic insurance cover.

WITHDRAWING FROM YOUR ACCOUNT

Active Super Lifetime Guaranteed Income account

Your account has a withdrawal value during the withdrawal period. The withdrawal value is payable as a lump sum if during this period you:

- choose to close your account early,
- die without a reversionary spouse, or
- die and your reversionary spouse also dies.

After the end of the withdrawal period, your account does not have a withdrawal value. You cannot withdraw voluntarily and a lump sum is not payable on death.

Calculating the voluntary withdrawal value

The voluntary withdrawal value of your account reduces over the withdrawal period. At the start of your account, the withdrawal value is equal to the initial investment amount. The withdrawal value then reduces over the withdrawal period, generally in a linear manner, until it reaches zero at the end of the withdrawal period.

The calculation of the withdrawal value is dependent on movements in interest rates between the time you open the account and the time the withdrawal is processed. As interest rates change over time, it is only possible to determine the withdrawal value at the time of withdrawal and the withdrawal value may be less than what you invested, even after taking into account payments you have already received.

This method is also used to calculate the lump sum that is payable on death during the withdrawal period.

Please see page 33 for withdrawal value examples.

Active Super Fixed Term Guaranteed Income account

An Active Super Fixed Term Guaranteed Income account is designed to be held for the term you choose. However, full withdrawals are permitted prior to the end of the investment term.

The withdrawal value of your account is the value of future projected payments remaining for the entire investment term, considering indexation, and discounted to reflect the payments that will be made prior to the scheduled payment dates (the 'present value'). The discount rate will vary depending on movements in interest rates between the time you start the account and the time the withdrawal is requested.

Please see page 35 for withdrawal value examples.

Calculating the withdrawal value

To calculate the withdrawal value, we will work out the present value of all payments (including any RCV) you would have received from the date of calculation to the end of the investment term. This can involve a significant discount in some circumstances, and is likely to result in the withdrawal value being less than the amount you invested. The calculation process is as follows:

1. We calculate the present value of your RCV to reflect the fact that the payment will be made earlier than the maturity date.
2. We calculate the present value of each of the future regular payments you would have received during the remainder of the investment term (to reflect their early payment).
3. Then we add together the present value of your RCV and all future payments from steps 1 and 2 above. The combined total is your withdrawal value.

The withdrawal value is likely to be less than the amount you invested, even after taking into account payments you have already received. The calculation method of the present value is impacted by changing interest rates, which means it is only possible to determine the withdrawal value at the time of withdrawal.

Please refer to the example on page 35, which is for illustrative purposes only. Actual outcomes will depend on factors such as inflation and prevailing rates.

If you invest in an Active Super Fixed Term Guaranteed Income account with an RCV the lump sum payable on death may be

greater than a voluntary withdrawal value. This is because the present value will generally be calculated more favourably, in recognition of the fact that the withdrawal was not a voluntary withdrawal. Please refer to page 35 for withdrawal value illustrations.

If you invest in an Active Super Fixed Term Guaranteed Income account with no RCV, the lump sum payable on death will be equal to the voluntary withdrawal value.

Requesting withdrawal

If you want to withdraw, contact your financial planner or Member Care on 1300 547 873 for your withdrawal value. If requested, we will send you a letter with your withdrawal value as at the date of that request, along with a withdrawal form for you to complete and return to us.

If you voluntarily withdraw, a minimum payment amount may be required to be paid to you. The minimum payment is based on the scheduled payment portioned for the number of days the account was open. The withdrawal value we pay will take into account any minimum payment requirement.

The withdrawal value of your account on the day we make the payment may vary from the withdrawal value stated in the letter we send you. To minimise any variation, we will generally pay the withdrawal value within five business days of receiving all required documentation.

YOUR ACCOUNT ON DEATH

ACTIVE SUPER LIFETIME GUARANTEED INCOME

Reversionary spouse nomination

If you die and have nominated a reversionary spouse, the regular payments will continue to be made for the lifetime of your spouse. If you have chosen a benefit reduction option, the regular payments your spouse receives will be reduced by 33%.

If you die and your reversionary spouse receives the regular payments but dies within the withdrawal period, a withdrawal value applies and is payable in accordance with any valid binding death benefit nomination made by the reversionary spouse. If there is no valid binding death nomination, the withdrawal value is payable as determined by the Trustee. If your reversionary spouse dies after the withdrawal period has ended, no further payments are made.

No reversionary spouse nomination

A lump sum death benefit is payable if you die before the withdrawal period ends and you have not nominated a reversionary spouse. The lump sum is payable to your dependants or legal personal representative in the proportions you have nominated in your binding death benefit nomination. If there is no valid binding death benefit nomination, the withdrawal value is payable as determined by the Trustee.

If you die after the withdrawal period has ended, no further payments are payable after the date of your death and no death benefit is payable.

ACTIVE SUPER FIXED TERM GUARANTEED INCOME ACCOUNT

Reversionary spouse nomination

If you die and you have nominated a reversionary spouse, the regular payments and any RCV are payable to your spouse. They can then elect to withdraw the account and receive a lump sum.

No reversionary spouse nomination

If you die and have not nominated a reversionary spouse, generally, a lump sum is payable to your dependant(s) or legal personal representative in the proportions you have nominated in your binding death benefit nomination form.

If there are multiple eligible beneficiaries, the lump sum is payable in accordance with your binding death benefit nomination. If there is no valid binding death benefit nomination, the withdrawal value is payable as determined by the Trustee.

If there is only one eligible beneficiary, they may continue to receive the regular income payments and any RCV, provided they are younger than you and they are considered to be a dependant for tax purposes. Please refer to page 21 for more information about dependants for tax purposes.

Regular payments can only be made to your child if they are:

- under the age of 18, or
- between the age of 18 and 24 and financially dependent on you, or
- disabled within the meaning of s8(1) of the *Disability Services Act 1986*.

If a child does not meet the definitions shown above, we will pay the child the withdrawal value as a lump sum. If a child ceases to meet the above criteria after regular payments are being made, the remaining benefits must be paid as a lump sum.

If the death benefit is payable as a lump sum, there may be a period of time between your death and the payment of the withdrawal value. When this occurs, any regular payments which have been suspended since we were notified of your death will be earning interest (at the Reserve Bank of Australia official cash rate) and will form part of the death benefit payable.

PAYMENT INFORMATION

We will not make any part-payment in respect of the period that has elapsed between the last regular payment that was guaranteed to be made and the date of death. We will seek to recover any payments made after the date of death that we had not guaranteed to make under the terms of the account. It is therefore important that we are notified promptly of the death of a member.

NOMINATING A BENEFICIARY

You can nominate one or more beneficiaries to receive any remaining benefits if you die. You can:

- nominate your spouse as your reversionary beneficiary at the time you apply for the account, or
- make a binding death benefit nomination.

REVERSIONARY SPOUSE NOMINATION

A reversionary spouse nomination means that your spouse will continue to receive regular income payments in the event of your death.

You can only nominate your spouse as your reversionary beneficiary. Under superannuation laws, a spouse includes another person (whether of the same sex or opposite sex) who:

- you were in a relationship with that was registered under a prescribed state or territory law, or
- although not legally married to you, lived with you on a genuine domestic basis in a relationship as a couple.

You must nominate your reversionary spouse at the time you apply for an Active Super Guaranteed Income account. Although you may cancel your nomination at a later date, you cannot change your nomination.

BINDING DEATH BENEFIT NOMINATION

What is a binding death benefit nomination?

If you make a valid binding death benefit nomination (BDBN) in favour of your dependant(s) and/or legal personal representative(s), the Trustee must distribute the benefit on your death in accordance with the BDBN provided the nomination is still valid at the time of your death.

Who can I nominate?

Each person you nominate must be one or more of the following at the time of your death:

- Your spouse;
- Your child or children;
- Any other person who is financially dependant on you;
- Any other person with whom you had an 'interdependency relationship'. Two persons have an interdependency relationship if:
 - they have a close personal relationship; and
 - they live together; and
 - one or each of them provides the other with financial support; and
 - one or each of them provides the other with domestic support and personal care.

(Two people may have an interdependency relationship if they have a close personal relationship but do not satisfy the other requirements of an interdependency relationship because either or both of them suffers from a disability); or

- Your legal personal representative(s). For the purposes of the BDBN, a legal personal representative is taken to be someone who holds grant of probate or letters of administration over your estate. If that person has not lodged an application with Active Super within 12 months of your death, the binding nomination will be considered invalid and the Trustee will decide how the benefit is to be distributed.



HOW YOUR MONEY IS INVESTED

Your investment in an Active Super Guaranteed Income account is invested in a life policy issued by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (Challenger Life), a life insurance company within the Challenger group of companies.

Your money is placed in a fund along with investments received from other Active Super Guaranteed Income account members and other investors who bought a life policy issued by Challenger Life. Challenger Life also adds to this fund from its own money. The fund is known as a statutory fund and is regulated under the Life Act.

All regular payments are made from the statutory fund, even if the fund suffers poor investment returns. If the fund falls below the minimum level needed to make all current and future payments, Challenger Life can be required to top up the fund with its own money. The Australian Prudential Regulation Authority (APRA) actively supervises this requirement and has extensive powers to intervene to ensure that payments can be met despite volatile or adverse movements in the broader financial markets.

If the statutory fund receives additional investment returns above the amount necessary to make all guaranteed payments, Challenger Life can take some surplus income from it. However, Challenger Life is only legally permitted to do so after it has ensured that there are sufficient funds to meet the current and future regular payments for all investors. You do not share in any surplus generated by the statutory fund.

Challenger Life will invest the statutory fund subject to investment restrictions in the Life Act. Generally, the fund will be invested in cash, shares, corporate bonds, convertible notes, debt instruments, geared and ungeared property investments, infrastructure investments and other assets.

The investment objectives for the fund include achieving consistent returns on investment and to match the incoming cashflow from investment returns with outgoing cashflow to investors, so that all current and future guaranteed payments can be made to all investors.

The name of Challenger Life's statutory fund for your investment in an Active Super Guaranteed Income account is Challenger's Statutory Fund No. 2. All references to guarantees in relation to benefits provided by the Active Super Guaranteed Income accounts refer to payments made to Active Super in accordance with the life policy issued by Challenger Life.

Challenger Life takes account of labour standards and environmental, social and ethical considerations in selecting, retaining and realising an investment through its adherence with Challenger Limited policies related to responsible investment.

Challenger Limited is a signatory to the Principles of Responsible Investment (PRI) and aims to be a responsible investor by considering environmental, social and governance (ESG) factors when investing the assets of the statutory fund. In signing up to PRI, Challenger Limited has committed to extending ESG integration activities across its investments, as it recognises that such factors are important factors impacting investment performance over the longer term.

While Challenger Life takes into account ESG considerations when investing the assets of the statutory fund, it does not adhere to any particular set of standards and has no predetermined view as to what constitutes such considerations, or the extent to which they will be taken into account in its investment management practices.

FEES AND OTHER COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees or management costs where applicable¹. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

This section shows the fees and other costs you may be charged in the Active Super Guaranteed Income account. These fees and other costs may be deducted from your account, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees and advice fees for personal advice may also be charged, but these will depend on the nature of the activity or advice chosen by you.

Taxes are set out in another part of this document.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

1. To help you compare different superannuation products, the Trustee is required by law to provide this statement in a PDS. It is important to note that Active Super does not charge contribution fees and the management costs cannot be negotiated.

The following fee tables provide details regarding the cost of investing in the Active Super Guaranteed Income accounts. You can use the information in this template to compare costs between different products.

ACTIVE SUPER LIFETIME GUARANTEED INCOME		
TYPE OF FEE	AMOUNT	HOW AND WHEN PAID
Investment fee	Nil	Not applicable
Administration fee	0.15% p.a. of initial investment amount	Included in the calculation of your regular payments (not deducted directly from your account or from your regular payments).
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Other fees and costs	Refer to 'Additional explanation of fees and costs' for more information on other fees and costs.	
Indirect cost ratio	Nil	Not applicable

ACTIVE SUPER FIXED TERM GUARANTEED INCOME		
TYPE OF FEE	AMOUNT	HOW AND WHEN PAID
Investment fee	Nil	Not applicable
Administration fee	RCV100 0.20% p.a. of initial investment amount RCV0-99 0.20% p.a. of reducing initial investment amount ¹	Included in the calculation of your regular payments (not deducted directly from your account or from your regular payments).
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Other fees and costs	Refer to 'Additional explanation of fees and costs' for more information on other fees and costs. ²	
Indirect cost ratio	Nil	Not applicable

There are no direct fees or charges payable in relation to your Active Super Guaranteed Income account. The costs of providing the account are taken into account when setting the amount of your regular payments. We also make assumptions about potential investment returns (and the life expectancy of Active Super Lifetime Guaranteed Income members).

1. The initial investment is reduced after each regular income payment by an amount calculated as: initial investment minus any residual capital value, divided by the total number of income payments in the investment term.
2. Refer to the next page for more information.

ADDITIONAL EXPLANATION OF FEES AND COSTS

The table below provides further details regarding the fees and costs of investing in an Active Super Guaranteed Income account. Not all charges will apply to your Active Super Guaranteed Income account.

DEFINED FEES		
TYPE OF FEE OR COST	DEFINITION	HOW IT APPLIES TO YOUR ACTIVE SUPER GUARANTEED INCOME ACCOUNT
Activity fees	<p>A fee is an activity fee if:</p> <ol style="list-style-type: none"> a. the fee relates to costs incurred by the trustee that are directly related to an activity of the trustee: <ol style="list-style-type: none"> i. that is engaged in at the request, or with the consent, of a member; or ii. that relates to a member and is required by law; and b. those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an advice fee or an insurance fee. 	<p>Active Super charges activity fees in respect of requests made under Family Law:</p> <ul style="list-style-type: none"> • A Request for Family Law information fee is charged if a member or third party requests information about the value of an Active Super account under the Family Law provisions. The fee must be paid in advance by the enquiring party. • A Benefit split fee is charged when Active Super is required to split a benefit and pay part of it to a non-member spouse. The fee is usually paid by the member and non-member spouse in equal parts. The member's share of the fee is deducted from the Active Super account, while the non-member spouse's share is deducted from their splittable payment prior to its transfer out of Active Super.
Administration fees	<p>An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:</p> <ol style="list-style-type: none"> a. relate to the administration or operation of the entity; and b. are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee. 	<p>The administration fee applicable to your Active Super Lifetime Guaranteed Income account is:</p> <ul style="list-style-type: none"> • 0.15% p.a. of your initial investment. <p>The administration fee applicable to your Active Super Fixed Term Guaranteed Income account is:</p> <ul style="list-style-type: none"> • 0.20% p.a. of your initial investment for RCV100 • 0.20% p.a. of the reducing initial investment for RCV 0-99.

FINANCIAL PLANNING FEE (ADVICE FEE)

If you consult a financial planner, Active Super will charge a direct fee for some financial planning services. It's important to note that not all financial advice will incur a fee and in many cases there may

be no charge. Whether or not a fee applies will depend upon the scope of the financial advice you require. Your financial planner will discuss any fee payable when meeting with you and, if a fee is applicable, will advise you of the fee should you decide to proceed with obtaining the advice.

EXAMPLES OF ANNUAL FEES AND COSTS FOR AN ACTIVE SUPER GUARANTEED INCOME ACCOUNT

The table below provides examples of how the fees and costs for an Active Super Guaranteed Income account can affect your superannuation investment over a one-year period. You should use this table to compare this product with other superannuation products.

ACTIVE SUPER LIFETIME GUARANTEED INCOME INVESTMENT OF \$50,000		
Investment fee	Nil	For every \$50,000 you have in an Active Super Lifetime Guaranteed Income account you will be charged \$0.
PLUS Administration fee	0.15%	And, you will be charged \$75 in administration fees (taken into account when setting the amount of your regular payments and not a direct fee or charge to you).
PLUS Indirect costs	Nil	And, indirect costs of \$0 each year will be deducted from your investment.
EQUALS Cost of the product	\$75	If your balance was \$50,000 then for that year you will be charged fees of \$75.

ACTIVE SUPER FIXED TERM GUARANTEED INCOME (RCV100) INVESTMENT OF \$50,000		
Investment fee	Nil	For every \$50,000 you have in an Active Super Fixed Term Guaranteed Income account you will be charged \$0.
PLUS Administration fee	0.20%	And, you will be charged \$100 ¹ in administration fees (taken into account when setting the amount of your regular payments and not a direct fee or charge to you).
PLUS Indirect costs	Nil	And indirect costs of \$0 each year will be deducted from your investment.
EQUALS Cost of the product	\$100	If your balance was \$50,000 then for that year you will be charged fees of \$100.

1. For Active Super Fixed Term Guaranteed Income accounts with an RCV of 100, the administration fee is based on the initial investment amount. For Active Super Fixed Term Guaranteed Income accounts with an RCV between 0 and 99, the administration fee is based on the reducing initial investment.

HOW YOUR ACCOUNT IS TAXED

The following overview of the tax treatment of this product represents the Trustee's understanding of taxation law as at the date of this PDS. The legislation and its interpretation could change in the future. We recommend that you seek your own professional tax advice.

TRANSFER BALANCE CAP

There is a limit on how much of your superannuation can be transferred to an income stream in retirement phase. This limit is known as the 'transfer balance cap'. The capital investment amount of your Active Super Guaranteed Income purchased with superannuation money must be reported to the ATO and will count towards the transfer balance cap. This means that the amount you invest in the Active Super Guaranteed Income will count towards the transfer balance cap.

For further information on the transfer balance cap and the transfer balance cap limit please refer to the ATO website (ato.gov.au) or speak to your financial adviser regarding your individual circumstances.

HOW REGULAR PAYMENTS AND VOLUNTARY WITHDRAWALS ARE TAXED

Regular payments and voluntary withdrawals from the account are tax-free.

HOW DEATH BENEFITS ARE TAXED

The tax payable on a death benefit depends on whether or not it is being paid to an eligible dependant(s) under the tax provisions.

A dependant for tax purposes includes:

- a spouse, who is a person (whether of the same or the opposite sex) with whom you are in a de facto relationship, or in a relationship that is legally registered as a marriage or under State or Territory law as a civil union
- a former spouse
- a child under the age of 18, a child under the age of 25 who is still at school or a permanently disabled child
- someone who is financially dependent on you (i.e. you contribute necessary financial support to maintain that person)
- someone in an interdependency relationship with you:
 - Two people have an 'interdependency relationship' if:
 - they have a close personal relationship, and
 - they live together, and
 - one or each of them provides the other with financial support, and
 - one or each of them provides the other with domestic support and personal care.

Two people have an interdependency relationship if they have a close personal relationship but do not satisfy the other requirements of an interdependency relationship because either or both of them suffer from a disability.

The table below sets out the tax treatment of death benefits.

DEATH BENEFIT PAID TO	DEATH BENEFIT PAID AS A LUMP SUM PAYMENT	DEATH BENEFIT PAID AS REGULAR PAYMENTS
Dependant	Tax-free.	Tax-free.
Non-dependant	<p>Tax-free component of the lump sum is tax free.</p> <p>Taxable component of the lump sum will be subject to a maximum of 15% tax plus Medicare levy.</p>	A person who is not dependant for tax purposes cannot receive regular payments.
Estate	<p>Tax free if the estate pays benefits to a person who is dependent for tax purposes.</p> <p>If the estate pays benefits to a person who is not dependent for tax purposes, the taxable component of the lump sum will be subject to a maximum of 15% tax.</p>	An estate cannot receive regular payments.



SOCIAL SECURITY BENEFITS

Please note that the information provided below is of a general nature only and does not take into account your individual circumstances. As eligibility for social security benefits depends on individual circumstances, you should speak to your financial planner about how your Active Super Guaranteed Income account and benefits in Active Super will affect your

social security benefits, or those of your spouse or dependants who may receive a benefit or pension after your death.

Centrelink and Department of Veterans' Affairs entitlements are determined by two means tests: an assets test and an income test. These are discussed in further detail below:

ACTIVE SUPER LIFETIME GUARANTEED INCOME

The Active Super Lifetime Guaranteed Income is assessed as follows:

ASSETS TEST	INCOME TEST
60% of the purchase price until the life expectancy for a 65-year-old male (currently 84 years old) or a minimum of five years. 30% of the purchase price thereafter.	60% of the regular payments received.

If you are over Age Pension age, the social security treatment of your account under the assets test and income test will be outlined in your quote.



ACTIVE SUPER FIXED TERM GUARANTEED INCOME

If Centrelink considers your Active Super Fixed Term Guaranteed Income account to be a long-term income stream, your account will receive a deduction amount which is considered for social security purposes to represent the return of your capital. The deduction amount can be calculated by using the following formula.

$$\text{Deduction amount} = (\text{initial capital investment amount} - \text{RCV}) / \text{investment term}$$

A short-term Active Super Fixed Term Guaranteed Income account, which is an account with a term of five years or less and not considered to be a long term income stream, is assessed as follows:

ASSETS TEST	INCOME TEST
The initial capital investment less 50% of the deduction amount, calculated every six months in arrears (or 100% of the deduction amount every 12 months in arrears where yearly payments are made).	Deeming rules apply. Under these rules, an assumption is made that financial investments earn a certain amount of income, regardless of the income they actually earn.

A long-term Active Super Fixed Term Guaranteed Income account, which is an account with a term that is greater than five years or equal to or greater than the investor's life expectancy, is assessed as follows:

ASSETS TEST	INCOME TEST
The initial capital investment less 50% of the deduction amount, calculated every six months in arrears (or 100% of the deduction amount every 12 months in arrears where yearly payments are made).	Regular payments received, less the deduction amount.

If you are over Age Pension age and the term of your account is greater than five years, the social security treatment of your account under the assets test and income test will be outlined in your quote.

WITHDRAWAL PERIODS

ACTIVE SUPER LIFETIME GUARANTEED INCOME

The table below shows the withdrawal period for an Active Super Lifetime Guaranteed Income account, based on your gender and age. These terms are based on life expectancies¹ (rounded down to whole years then multiplied by 365 days).

The withdrawal period is determined at commencement and cannot be changed once your account starts.

AGE	MALE	FEMALE	AGE	MALE	FEMALE
60	23	26	81	8	9
61	22	25	82	7	8
62	21	24	83	7	8
63	20	23	84	6	7
64	20	22	85	6	7
65	19	22	86	5	6
66	18	21	87	5	6
67	17	20	88	4	5
68	16	19	89	4	4
69	16	18	90	4	4
70	15	17	91	3	4
71	14	16	92	3	4
72	13	16	93	3	3
73	13	15	94	3	3
74	12	14	95	3	3
75	11	13	96	2	3
76	11	13	97	2	2
77	10	12	98	2	2
78	9	11	99	2	2
79	9	10	100	2	2
80	8	10			

1. Calculated in accordance with Australian Government Actuary life expectancy tables and may therefore be different from what we estimate your life expectancy to be.

VOLUNTARY WITHDRAWAL VALUE EXAMPLES

ACTIVE SUPER LIFETIME GUARANTEED INCOME

The following examples are based on an initial capital investment of \$100,000. A yearly payment frequency and partial indexation option was chosen. The withdrawal values are as at the end of each year of the illustrated withdrawal period.

The tables below and on the next page provide some examples of withdrawal values and how they are impacted by rate movements.

	65 YEAR OLD FEMALE 22 YEAR WITHDRAWAL PERIOD			65 YEAR OLD MALE 19 YEAR WITHDRAWAL PERIOD		
Interest rate movement	-0.015%	0%	0.015%	-0.015%	0%	0.015%
End of year						
1	\$95,455	\$95,455	\$81,978	\$94,737	\$94,737	\$82,612
2	\$90,909	\$90,909	\$78,469	\$89,474	\$89,474	\$78,517
3	\$86,364	\$86,364	\$74,935	\$84,211	\$84,211	\$74,375
4	\$81,818	\$81,818	\$71,374	\$78,947	\$78,947	\$70,182
5	\$77,273	\$77,273	\$67,783	\$73,684	\$73,684	\$65,938
6	\$72,727	\$72,727	\$64,162	\$68,421	\$68,421	\$61,641
7	\$68,182	\$68,182	\$60,507	\$63,158	\$63,158	\$57,288
8	\$63,636	\$63,636	\$56,817	\$57,895	\$57,895	\$52,878
9	\$59,091	\$59,091	\$53,089	\$52,632	\$52,632	\$48,409
10	\$54,545	\$54,545	\$49,321	\$47,368	\$47,368	\$43,879
11	\$50,000	\$50,000	\$45,510	\$42,105	\$42,105	\$39,286
12	\$45,455	\$45,455	\$41,654	\$36,842	\$36,842	\$34,627
13	\$40,909	\$40,909	\$37,751	\$31,579	\$31,579	\$29,901
14	\$36,364	\$36,364	\$33,798	\$26,316	\$26,316	\$25,105
15	\$31,818	\$31,818	\$29,791	\$21,053	\$21,053	\$20,237
16	\$27,273	\$27,273	\$25,729	\$15,789	\$15,789	\$15,295
17	\$22,727	\$22,727	\$21,752	\$10,526	\$10,526	\$10,277
18	\$18,182	\$18,182	\$18,106	\$5,263	\$5,263	\$5,263
19	\$13,636	\$13,636	\$13,636	\$0	\$0	\$0
20	\$9,091	\$9,091	\$9,091	\$0	\$0	\$0
21	\$4,545	\$4,545	\$4,545	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0	\$0	\$0

Important information about the withdrawal value examples

This table is indicative only and the values shown are predictive for an investment made on 3 May 2021, calculated as at that date. We have assumed annual increases in the Consumer Price Index (CPI) of 2.5%. Your actual withdrawal value will depend on actual changes in the CPI, the length of your withdrawal period, your initial investment and the actual movement in interest rates between the time of your investment and the time of withdrawal. The interest rate movement refers to the relevant Government bond rates between the time you opened the account and the time of withdrawal. The interest rate movements used in this example are for illustrative purposes only and are not a prediction of actual interest rate movements. Actual rates can move by more or less than 1.5%, and the actual movement will affect the withdrawal value. After the withdrawal period ends the withdrawal value is zero.

ACTIVE SUPER FIXED TERM GUARANTEED INCOME

The following examples are based on an initial investment of \$100,000. A yearly payment frequency was chosen. The withdrawal values shown are as at the end of each year of investment. The table below provides some examples of withdrawal values and how they are impacted by rate movements.

Interest rate movement	RCV80			RCV0 (NIL INDEXATION)		
	-0.015%	0%	0.015%	-0.015%	0%	0.015%
End of year						
1	\$91,118	\$86,461	\$82,115	\$77,208	\$74,529	\$71,998
2	\$88,474	\$84,958	\$81,634	\$58,846	\$57,196	\$55,623
3	\$85,741	\$83,383	\$81,123	\$39,871	\$39,024	\$38,209
4	\$82,918	\$81,731	\$80,579	\$20,263	\$19,973	\$19,691
5	\$80,000	\$80,000	\$80,000	\$0	\$0	\$0

Important information about the withdrawal value examples

This table is indicative only. The annual income payments used to calculate the values are based on the following rates: 1.83% for RCV80, and 1.55% for RCV0 (no indexation). Your actual withdrawal value will depend on actual changes in the length of your investment term, your initial investment, the amounts and number of future payments payable under the terms of the account and the actual movement in interest rates between the time of your investment and the time of withdrawal. The interest rate movement refers to the relevant Government bond rates between the time you opened the account and the time of withdrawal. The interest rate movements used in this example are for illustrative purposes only and are not a prediction of actual interest rate movements. Actual rates can move by more or less than 1.5%, and the actual movement will affect the withdrawal value. In a low interest rate environment, it may not be possible to choose an RCV of 80%, as you may be required to choose a lower percentage in order for your account to meet the Government's minimum payment standards.

ACTIVE SUPER FIXED TERM GUARANTEED INCOME

The following examples are based on an initial investment of \$100,000. A yearly payment frequency was chosen. The withdrawal values shown are as at the end of each year of investment. The table below provides some examples of withdrawal values and how they are impacted by rate movements.

RCVO (NIL INDEXATION)			
Interest rate movement	-0.015%	0%	0.015%
End of year			
1	\$88,281	\$84,906	\$75,216
2	\$85,090	\$81,974	\$72,980
3	\$81,772	\$78,911	\$70,610
4	\$78,322	\$75,712	\$68,099
5	\$74,733	\$72,369	\$65,439
6	\$71,001	\$68,878	\$62,619
7	\$67,119	\$65,230	\$59,632
8	\$63,082	\$61,420	\$56,466
9	\$58,884	\$57,440	\$53,112
10	\$54,518	\$53,282	\$49,558
11	\$49,977	\$48,939	\$45,791
12	\$45,255	\$44,401	\$41,800
13	\$40,343	\$39,662	\$37,571
14	\$35,235	\$34,710	\$33,090
15	\$29,923	\$29,538	\$28,342
16	\$24,399	\$24,135	\$23,311
17	\$18,653	\$18,490	\$17,979
18	\$12,678	\$12,594	\$12,330
19	\$6,463	\$6,434	\$6,343
20	\$0	\$0	\$0

Important information about the withdrawal value examples

This table is indicative only. The annual income payments used to calculate the values are based on the following rates: 3.00% for RCVO (no indexation). Your actual withdrawal value will depend on the length of your investment term, your initial investment, the amounts and number of future payments payable under the terms of the account and the actual movement in interest rates between the time of your investment and the time of withdrawal. The interest rate movement refers to the relevant Government bond rates between the time you opened the account and the time of withdrawal. The interest rate movements used in this example are for illustrative purposes only and are not a prediction of actual interest rate movements. Actual rates can move by more or less than 1.5%, and the actual movement will affect the withdrawal value.

PRIVACY

Active Super is fully committed to comply with the Australian Privacy Principles in the way that information is collected, stored and used. Full details on how this is achieved are contained in Active Super's Privacy Policy available on our website at activesuper.com.au or by calling Member Care on 1300 547 873.

If you are not satisfied that adequate precautions are being taken to protect your personal information, you may make a formal complaint. The complaint must be in writing and addressed to:

Active Super Privacy Officer
Active Super (LGSS Pty Limited)
PO Box H290
Australia Square NSW 1215

If you are not satisfied with the response from the Privacy Officer, you may lodge a complaint with:

Australian Financial
Complaints Authority
GPO Box 3
Melbourne VIC 3001
Phone: 1800 931 678
Email: info@afca.org.au
Web: afca.org.au

You may also raise any concerns with the Office of the Australian Information Commissioner which can be contacted at:

Office of the Australian
Information Commissioner
GPO Box 5288,
Sydney NSW 2001
Phone: 1300 363 992
Email: enquiries@oaic.gov.au
Web: oaic.gov.au

OTHER INFORMATION

COOLING-OFF RIGHTS

By law, investors have a cooling-off right. This means you can change your mind about investing in an Active Super Guaranteed Income account and ask for your capital to be repaid. The cooling-off right must be exercised within 14 days from the earlier of:

- the date we send you confirmation that your account has started, or
- five business days after we have received your application.

If you wish to exercise your cooling-off right, we must receive your written instructions within 14 days. You can send your instructions to:

Active Super (LGSS Pty Limited)
PO Box N835
Grosvenor Place NSW 1220

INCOMPLETE OR REJECTED APPLICATION FORMS

To ensure that your application is able to be processed efficiently, it is important that you:

- complete all sections of the application form,
- provide all required proof of identity documents outlined in the application form, and
- attach a valid quote to the application form.

We have provided a checklist with the application form to help you meet these requirements. If your application form is incomplete, we may not be able to proceed until the required information is received. In these situations we may:

- attempt to contact you and/or your financial planner, or
- hold your application money in a non-interest bearing account until we receive the required information.

Money may be held for a maximum period of 30 days (in a non-interest bearing account) from the day we receive the funds. After this period, your money will be returned to the rollover institution from which the money was received.

Your account will start on the day that all outstanding information is received by us (or the next NSW business day if received after 3.00pm or on a non-business day in NSW), and you will receive the rates applicable at that time. We can accept or reject any application and are not required to give any reason for a refusal.

REGULAR REPORTS ON YOUR INVESTMENT

Member statements

These are issued yearly and will show the balance of your account as at the statement date, provide information on net investment earnings and a list of all transactions that have taken place during the period.

Annual Report

The Active Super Annual Report provides members with information on the management and financial condition of Active Super, including its investment performance. It is available at activesuper.com.au

Alternatively, members can contact Member Care on 1300 547 873 to request a printed copy at no additional cost.

COMPLAINTS RESOLUTION

Our commitment

Active Super is committed to providing you with satisfactory service and ensuring all of your enquiries are attended to promptly.

However, if you are dissatisfied with the service that you are receiving or a decision that affects you, we encourage you to lodge a formal complaint.

How to lodge a complaint

If you have a complaint about any products or services or about a decision made by the Trustee, please contact Member Care on 1300 547 873 in the first instance to attempt to have the matter resolved.

If you would rather make a written complaint, you can refer the matter to the Active Super Complaints Resolution Manager by:

Email: hello@activesuper.com.au with 'Notice of Complaint' in the subject of the email.

Online: via the 'Help and Support' section of our website activesuper.com.au

Post: Complaints Resolution Manager
Active Super
PO Box H290
Australia Square NSW 1215

By law, we are required to have in place arrangements to properly consider and deal with standard complaints within 30 days of receipt. Superannuation trustee complaints are to be resolved with 45 days, and complaints about a proposed death benefit distribution are to be resolved within 90 days after the expiry of the 28-day period for objecting. The Complaints Resolution Manager (who maintains a register of all complaints and actions) will ensure that your complaint is considered and provide you with a response as soon as possible. If a complaint is particularly complex, or circumstances beyond our control are causing complaint management delays, we will issue you with a delay notification before the standard timeframe expires. Once we resolve your complaint, we will provide you with an Internal Dispute Resolution response which will outline the final outcome of the complaint, your right to take the complaint to AFCA, and the contact details for AFCA. Where Active Super rejects or partially rejects a complaint, we will provide reasons for the decision, including identifying and addressing the issues raised in the complaint.

If you are not satisfied with the response, or we fail to respond to you within the relevant timeframe, you have the option of referring your complaint to the Australian Financial Complaints Authority.

AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY

The Australian Financial Complaints Authority (AFCA) is an independent external dispute resolution scheme authorised by the Minister for Revenue and Financial Services. AFCA provides fair and independent financial services complaint resolution that is free to superannuation funds' members.

AFCA can only consider matters which impact on a member personally and not in respect to the overall management of Active Super.

The staff at AFCA will attempt to settle the matter by conciliation, which involves assisting you and Active Super to come to a mutual agreement. If no agreement is reached by conciliation, AFCA will determine the matter.

The contact details for AFCA are:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Phone: 1800 931 678
Email: info@afca.org.au
Web: afca.org.au

For more information please visit AFCA's website at afca.org.au

FAMILY LAW

The Family Law provisions are complex and you should seek independent legal and financial planning advice with respect to your personal situation. Please note that for Family Law purposes, the term spouse refers to the legally married spouse of a member, a de facto spouse or a same sex partner.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

The Active Super Trustee does not accept cash or make payments to third parties unless authorised to do so by the regulator, Court or the law.

To meet its legal obligations and to manage its money laundering and terrorism financing risks, Active Super must be reasonably satisfied that you are who you say you are, especially when you request any type of withdrawal from your account. This is in addition to Active Super business requirements to be satisfied that you are the owner of your account and that the instruction Active Super has received is valid.

At a minimum, Active Super must verify your full name and date of birth, especially when you request any type of withdrawal. Active Super may seek additional information to meet its obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

Additionally, Active Super is required to monitor your transactions for the purpose of identifying, having regard to money laundering or terrorism financing risk, any transaction that appears to be suspicious within the terms of the legislation.

Suspicious matters include suspicions about your identity, tax evasion, offence against a Commonwealth, State or Territory law, proceeds of crime, money laundering, terrorism financing or transactions that have no apparent economic or visible lawful purpose. Active Super employs both human judgement and data analysis to identify such transactions. Active Super reports any such suspicious matters plus any threshold transactions or international funds transfer instructions to the regulator, the Australian Transaction Reports and Analysis Centre (AUSTRAC).

CONTACT DETAILS

MEMBER CARE

1300 547 873

MAIL

PO Box N835
Grosvenor Place
NSW 1220

OFFICE

Level 12,
28 Margaret Street
Sydney NSW 2000

WEB

activesuper.com.au

SOCIAL

-  ActiveSuperAU
-  @activesuper_au
-  activesuper
-  activesuper_au

General information in this PDS is subject to change. Certain information that is not materially adverse may be updated without issuing a supplementary PDS and may be obtained by calling Member Care on 1300 547 873 or by visiting activesuper.com.au/PDS

A paper copy of the updated information will be available free of charge upon request.