

# Essential Super Product Disclosure Statement Update – Issued November 2018

This product update accompanies the current Essential Super Product Disclosure Statement (PDS) and Reference Guide which can be downloaded at [commbank.com.au/essentialsuper-documents](http://commbank.com.au/essentialsuper-documents) or call us on 13 4074 for a copy.

This Product Update contains information about some changes to Essential Super from 1 November 2018.

## Change of fees

From 1 November 2018, the percentage based administration fee will be reduced from 0.40% pa to 0.35% pa for all options apart from the Cash Deposit option where no percentage based administration fee is charged. In addition, the estimated indirect cost ratio for the Lifestage option only will increase from 0.00% pa to up to 0.09% pa.

Fee	Prior 1 November 2018		Post 1 November 2018	
<b>Administration fee</b>	Lifestage option	0.40% pa	Lifestage option	0.35% pa
	Balanced option	0.40% pa	Balanced option	0.35% pa
	Australian Share option	0.40% pa	Australian Share option	0.35% pa
	Cash Deposit option	0.00% pa	Cash Deposit option	0.00% pa
	<b>Plus \$70.56 pa (\$5.88 per month<sup>1</sup>)</b>		<b>Plus \$70.56 pa (\$5.88 per month<sup>1</sup>)</b>	
<b>Indirect cost ratio<sup>2</sup></b>	Estimated to be:		Estimated to be:	
	Lifestage option	0.00% pa	Lifestage option	0.02% – 0.09% pa
	Balanced option	0.00% pa	Balanced option	0.00% pa
	Australian Share option	0.00% pa	Australian Share option	0.00% pa
	Cash Deposit option	0.00% pa	Cash Deposit option	0.00% pa

<sup>1</sup> The amount deducted from your account will be \$5 each month, as we give you the benefit of the tax deduction.

<sup>2</sup> The indirect cost ratio (ICR), for a MySuper product or an investment option offered by a superannuation entity is the ratio of the total of the indirect costs for the MySuper product or investment option to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

## Temporary suspension of new applications

From 4 July 2018, the Essential Super product became unavailable for new customers. As a current Essential Super member, there is no impact and you can continue to manage your account through NetBank or the CommBank app.

## AIA's acquisition of The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 (CMLA)

CMLA receives insurance premiums for the insurance benefits it provides. As at 1 November 2018, CMLA is a wholly owned but non-guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (The Bank). The Bank has agreed to sell CMLA to the AIA Group, with settlement due to complete early 2019. 'CommInsure' is used under licence by CMLA.

## We're here to help!

If you'd like further information, please call our Essential Super team on 13 4074, 8am – 7pm Monday to Friday (Sydney time).



# Essential

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# Super

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## Product Disclosure Statement (PDS)

Dated 17 March 2018



Investments in Essential Super (USI FSF1332AU) are offered from  
Commonwealth Essential Super ABN 56 601 925 435 by Colonial First  
State Investments Limited ABN 98 002 348 352 AFS Licence 232468  
MySuper authorisation identifier 56601925435909



# Essential reading

This Product Disclosure Statement (PDS) summarises important information. It includes references to other important documents which form part of the PDS. You should consider all of these documents before making an investment decision. You can get copies free of charge by going to our website [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo) or calling us on 13 4074.

The information in this PDS is general information only. It does not take your personal objectives, financial or taxation situation or other needs into account. If you need advice on your personal circumstances, please talk to a financial adviser. This PDS is designed for individuals who want to set up a super account, and for employers who want to open a super account for their employees. In this document, 'you' refers to a member of Essential Super who has opened a personal account or had an account opened by their employer. The offer made in this PDS is available only to persons receiving the PDS within Australia.

Taxation considerations are general and based on present taxation laws, rulings and their interpretation as at 17 March 2018. You should seek professional tax advice on your situation before making any decision based on this information. Colonial First State is also not a registered tax (financial) adviser under the Tax Agent Services Act 2009, and you should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligation or claim entitlements that arise, or could arise, under a taxation law.

## Take note

While information in this PDS is correct at the time of printing, it may change between the time you read this PDS and the day when you acquire the product. Visit [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo) or call us to check for more up-to-date versions.

Make sure you read the **Essential Super Reference Guide**, which has more information. Download your free copy at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo) or call us.

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## The fund trustee

The trustee is responsible for the day-to-day running of the fund. Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence 232468 (Colonial First State) is the trustee and administrator of Commonwealth Essential Super ABN 56 601 925 435 (the fund) and the issuer of interests in Essential Super, which is a product of the fund. Colonial First State is a wholly owned subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 (the Bank). The Bank provides distribution and administrative services to the trustee. Information contained in this PDS is subject to change from time to time. Where a change to this information is not materially adverse, the information may be updated via our website and can be found at any time by visiting [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo). A paper copy of any updated information is available free of charge on request by contacting us on 13 4074. Where a change is material, the trustee will notify you in writing within the timeframes provided for in the relevant legislation.

The Bank and its subsidiaries do not guarantee the performance of Essential Super or the repayment of capital by Essential Super. An investment in Essential Super is through a superannuation trust and is subject to superannuation rules. It is not an investment in, deposit with, or other liability of the Bank or its subsidiaries. An investment in Essential Super is subject to investment risk, including loss of income and capital invested.

# 1 About Essential Super

Superannuation is essential, but that doesn't mean it has to be complex. With Essential Super, you'll have a super account that's as easy to view online as your bank account.

Essential Super sits next to your bank account in NetBank and the CommBank app, so you can see it anywhere and anytime. You can keep an eye on your superannuation balance when it suits you; you don't need to wait for your statement.

With Essential Super, your super can move with you from job to job.

If a member of a super fund has not made an investment decision, any contributions made to their super must be invested in a MySuper product. A MySuper product must meet certain requirements set by the Government regarding fees, insurance and other matters.

Essential Super takes the complexity out of super by offering a MySuper product, the Lifestage investment option, as well as three other investment options – Balanced, Australian Share and Cash Deposit. It also offers automatic approval for Death and Total and Permanent Disablement (TPD) cover, where you meet the cover conditions outlined in section 8 on page 13.

If you are looking for a straightforward, competitively priced super fund or you are an employer wanting to meet your Super Guarantee (SG) obligations by setting up a MySuper account on behalf of your employees, then Essential Super may be right for you.

The product dashboard for the MySuper product sets out the following information:

- return targets
- returns
- comparisons between return targets and returns
- the level of investment risk that applies
- a statement of fees and other costs.

Product dashboards, information regarding trustee and executive remuneration, and other documents we are required to provide under the Superannuation Industry (Supervision) Regulations 1994 (SIS), will be made available online (such as trust deed, annual report etc).

You can find all of this information at [commbank.com.au/essentialinfo](https://www.commbank.com.au/essentialinfo)

## Who can apply?

To apply for Essential Super, you must be:

- at least 16 years old<sup>1</sup>
- currently living in Australia
- an Australian citizen, permanent resident or a relevant visa holder.

# 2 How super works

*Want to know more about how super helps you save for retirement? Here are the essentials.*

## What is super?

Super is an easy way to save for retirement. If you're an employee, your employer puts part of your salary into your super account. These payments are called Super Guarantee contributions, and they're likely to be a key part of your retirement savings plan. You can also add extra to build your savings faster. And because super earnings are taxed at a low tax rate, it can help you save more over time.

Most people can choose their own super fund or simply use the one their employer suggests. Because super is for retirement, you generally can't take money out until you finish working, with a few very limited exceptions. But in the meantime, there's lots you can do to help your super grow.

## Putting money into super

If you want to build your super faster, there are a few different ways you can put money into your account. Different types of contributions have different rules, limits and tax rates.

1 The trustee may exercise its discretion to allow a person from 14 years of age to join the fund.

Here's a summary:

Contribution types	What are they?
Compulsory employer contributions	Contributions your employer is required to make. They include: <ul style="list-style-type: none"><li>• Super Guarantee (SG) contributions (currently 9.5% of your salary each year, increasing to 12% by 2025)</li><li>• contributions under an industrial award.</li></ul>
Voluntary employer contributions	Extra contributions an employer makes for you. These include salary sacrifice contributions, where you arrange to have some of your pre-tax salary paid into super by your employer.
Personal contributions	Contributions you make for yourself, from your after-tax salary. Depending on your situation, you may be able to claim a tax deduction for personal contributions, or you may be able to receive a Government co-contribution.
Spouse contributions	Contributions you make for your spouse (or that they make for you).

### Some tax advantages of super

To encourage people to invest in super, the Federal Government has given it favourable tax treatment, making it one of the most tax-effective ways to save for retirement.

For example, when your employer contributes on your behalf, instead of paying your usual marginal tax rate on that money – up to 47% including Medicare levy – you'll generally pay just 15%. Earnings within the fund are also taxed at a maximum of 15%. And once you turn 60, there's generally no tax on the super benefits you withdraw. There can also be some tax advantages in contributing to your spouse's super, depending on your circumstances.

To limit the tax concessions, the Government has put limits, or caps, on how much you can contribute, for each contribution type. Once you exceed these limits, the tax advantages fall away, and your contributions will be taxed at rates of up to 47% including Medicare levy.

Remember, tax can be complex and often unique to your own situation.

### Find out more

You should read the important information about super before making a decision. Go to the 'How super is taxed' section in the the **Essential Super Reference Guide** at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo). The material relating to super may change between the time you read this PDS and the day when you acquire the product.

## 3 Benefits of investing with Essential Super

*Essential Super keeps it simple, with competitive fees, investment options to suit your needs and the flexibility to take your super from job to job. Best of all, you can keep track of your super anytime, in the same convenient online banking service you use for your everyday accounts.*

### Super where you can see it

Essential Super sits right next to your bank account in NetBank and the CommBank App, so you can view it anywhere and anytime. That means you can keep an eye on your balance when it suits you; you don't need to wait for your statement.

If you have NetBank, some communications will be sent to you electronically and you can access them in NetBank. This makes it easy for you to keep track of your super. If you don't have NetBank we may provide you with access so you can review and transact on your Essential Super account online.

### Take your super from job to job

You wouldn't change your bank account every time you move jobs, so why would you change your super? With Essential Super, your super can move with you throughout your career.

And because starting a new job can be stressful enough, we'll make the process easy for you by giving you a pre-completed form – all you have to do is give it to your employer or payroll officer.

### **Searching for your super is now even easier**

Searching for your super is easy with our online super search tool. Using real-time search results from the ATO, you can find your other super accounts and, if you'd like, consolidate them into your Essential Super account. Simply log in to NetBank, click on your account, and select 'consolidate'. Consolidation eliminates paying multiple sets of fees, and makes it easier to keep track of your super.

If you consolidate your super into Essential Super, any insurance cover you have with those other super funds will end. Any insurance you have with Essential Super will be different so it's important to understand what you may lose, what you might not be covered for, including cover for any illness, injury or condition, and the terms of the new insurance cover before you consolidate. The **Essential Super Reference Guide** contains specific terms that apply to the new insurance cover.

### **Benefit from our competitive fees**

Super is your money, so you don't want it being eaten away by excessive fees.

There are no establishment, withdrawal or exit fees. Buy/sell spreads apply to all options, except the Cash Deposit option; Refer to the 'Buy/sell spreads' section in the **Essential Super Reference Guide** for more information.

Our administration fees are only 0.40% pa, plus \$5 a month will be deducted from your account with a further 0.40% pa investment fee. If you choose our Cash Deposit option, only the \$5 a month administration fee that is deducted from your account applies.<sup>2</sup>

### **Investment options to suit your needs**

With Essential Super, you can simply leave it

to us with our Lifestage option (our MySuper product) or, after opening your account, choose your own investment mix – Australian Share, Balanced or Cash Deposit.

See 'How we invest your money' on page 7 for more information about your investment options.

### **Insurance for peace of mind**

When you open an Essential Super account, you're automatically provided with Death and Total and Permanent Disablement (TPD) insurance.<sup>3</sup> Your cover will be adjusted throughout your lifetime, increasing or decreasing at different times of your life.

Your insurance starts as soon as your Essential Super account has money in it, as long as it's within 120 days of opening your account and provided you haven't cancelled this cover. Your insurance premiums are paid straight from your super – without you having to find extra money for premiums. You should ensure that you always have enough money in your account to cover your insurance premiums.

Of course, you can also change or cancel your level of insurance cover at any time in NetBank or by calling us on **13 4074**.

See 'Insurance in your super' on page 13 for more information.

### **Nominating someone to receive your super benefits**

You only need to complete what is known as a non-lapsing death benefit nomination form to nominate who you'd like to receive your super and any insurance benefits if you die.

You can change or remove your nomination at any time by completing a new form.

Go to the **Essential Super Reference Guide** for information on non-lapsing death benefit nominations and who you can nominate.

You can find our Non-lapsing Death Benefit Nomination form at

**[commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo)**

2 The administration fee is \$5.88 per month. However, as we give you the benefit of the tax deduction, the amount deducted from your account is \$5.

3 Subject to meeting certain conditions. Refer to section 8 'Insurance in your super' for further details.

## Get started with Essential Super

You can set up your account in NetBank – simply click the **Offers & apply** tab to get started online.

### Find out more

You should read the important information about transacting on your account before making a decision. Go to the **Essential Super Reference Guide** at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo). The material relating to transacting on your account may change between the time you read this PDS and the day when you acquire the product.

## Easy for employers

If you're an employer, Essential Super offers a simple and straightforward solution that helps you meet your super obligations with ease.

Essential Super supports your business with:

- **Easy set-up** – it's quick and easy to set up accounts for your employees, online in NetBank
- **Competitive fees** – a competitively priced product that offers your employees value for money
- **Simple insurance** – with levels of cover set for the age of your employees and with competitive premiums
- **MySuper Lifestage investment options** – an investment option which is matched to your employee's age, where the investment mix between growth and defensive assets changes as they age
- **Support with your super needs, whenever you need it** – access education materials on super for you and your employees at [commbank.com.au/business-super](http://commbank.com.au/business-super)
- **Clearing house service** – pay all your employee super contributions in NetBank using our free, SuperStream compliant payment portal at no extra cost.

When you sign up to Essential Super on behalf of your employees, you become a standard employer-sponsor of the fund.

More information for employers is included in the **Essential Super Reference Guide**.

## 4 Risks of super

*All investments carry risk. Investment markets have their ups and downs, and your super performance also depends on the options you choose. So it's important to understand the risks before you invest.*

### What are the risks?

No matter which investments you choose, you need to understand that:

- The value of your investment options will go up and down over time.
- Returns are not guaranteed – and you may lose money.
- Previous returns don't predict future performance.
- Laws affecting super may change.
- Your super savings may not be enough for your retirement.

### Investment risks

Other risks associated with investing in Essential Super will vary, depending on your investment strategy.

Some investments and assets are riskier than others. And generally, assets with the highest long-term returns may also carry the highest level of short-term risk. Here's a summary of the main risks that may apply to your investments:

Risk type	Description
General risks	<ul style="list-style-type: none"><li>• Market risk</li><li>• Security and investment-specific risk</li><li>• Management risk</li><li>• Liquidity risk</li><li>• Counterparty risk</li><li>• Legal, regulatory and foreign investment risk</li><li>• Environmental, social and governance (ESG) and climate risk</li></ul>
Investment-specific risks	These are risks that apply to specific investment options, such as currency risk or credit risk.

But it's not just about the investment options you choose. Risk is also influenced by your age, how long you have until retirement, and what other investments, if any, you have. It also depends on how comfortable you are with the possibility of losing some of your investment in some years.

### Find out more

You should read the important information about risks before making a decision. Go to the 'Risks of super' section in the **Essential Super Reference Guide** at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo).

The material relating to risks may change between the time you read this PDS and the day when you acquire the product.

## 5 How we invest your money

*With Essential Super, you can be as 'hands on' as you want to be. Leave it to us, or choose from three straightforward investment options.*

### Your investment choices

When you open an account, or your employer opens an account for you, we'll automatically invest your money in the MySuper product (Lifestage option). You can also choose your own investment options in NetBank or by calling us on **13 4074** after opening your account.

Here's a summary of your choice of investment options in Essential Super:

Choice	Description
Leave it to us (MySuper Lifestage investment option)	On joining, you'll be placed in a Lifestage option, based on your age. With Lifestage options, we select investments we think are appropriate for the life stage of people of a similar age, and adjust them over time.

Choice	Description
Choose your own options	If you don't think the Lifestage option is right for you, after opening your account, you can choose from these three investment options: <ul style="list-style-type: none"> <li>Balanced</li> <li>Australian Share</li> <li>Cash Deposit.</li> </ul>

### Take note

Before choosing an investment option, think about the likely investment return of each option, the risks involved, and your investment timeframe.

### Changing your investment choices

After opening your account, you can change your investment options at any time in NetBank, or by calling us on **13 4074**.

### About the Lifestage option

As you move through your life, investment needs change, along with your financial situation and attitude to risk. Our Lifestage option recognises this, with the investment mix changing as you get older.

For each life stage, we'll select an investment mix that we believe best reflects the investment needs for that stage. Over time, we'll adjust the investments to take into account changing investment needs.

For example, younger people usually have more time to withstand market ups-and-downs, so can generally take more short-term risk for potentially higher long-term gains. So their investment mix will include more growth assets, like property securities and shares.

On the other hand, for people nearing retirement who want to protect their wealth, investments that carry less risk may be more appropriate. So for this life stage, we will include more defensive assets, such as fixed interest and cash. However, this does not take your personal objectives, financial situation or needs into account. You should make sure that the option is right for you.










## What are the life stages?

We have seven different Lifestage options, based on the decade in which you were born<sup>4</sup>:

- 1940s Lifestage
- 1950s Lifestage
- 1960s Lifestage
- 1970s Lifestage
- 1980s Lifestage
- 1990s Lifestage
- 2000s Lifestage.

## Investment return objective of the Lifestage options

The investment return objective of the Lifestage options is to achieve a return of Consumer Price Index (CPI), plus a certain percentage, over a rolling period of time, depending on your Lifestage option. Refer to the **Essential Super Reference Guide** for each investment option profile.

Asset allocation <sup>5</sup>							
Lifestage option (MySuper product)	1940s	1950s	1960s	1970s	1980s	1990s	2000s
Cash	30	30	16.6	5	5	5	5
Fixed interest	30	30	22.9	15	15	15	15
Global property and infrastructure securities	8	8	10.8	14	14	14	14
Australian shares	16	16	24.7	33	33	33	33
Global shares	16	16	25.0	33	33	33	33
Minimum suggested timeframe							
	At least 3 years	At least 3 years	At least 5 years	At least 6 years	At least 6 years	At least 6 years	At least 6 years
Risk <sup>6</sup>							
Current risk band							

## Example: Sam aged 30

Sam was born in 1986 and is turning 32 in 2018. Sam will be invested in the option designed for people born at a similar time. Sam would be placed in the 1980s Lifestage option.

Sam's investments will gradually move to a lower risk investment strategy as Sam moves closer to retirement. This change will happen automatically, so Sam won't need to move from one option to another.

<sup>4</sup> If there is no Lifestage option for the decade of your birth, we will use the Lifestage option closest to your date of birth.

<sup>5</sup> Asset allocations as at 17 March 2018. As we actively manage the asset allocation, the asset allocation of an individual Lifestage option may vary over time.

<sup>6</sup> The risk band for the 1960s to 2000s Lifestage options is designed to reduce over time. Refer to the Essential Super Reference Guide for more information on the Standard Risk Measure and risk measure categories.

### Find out more

You should read the important information about the investment options before making an investment decision. Go to the **Essential Super Reference Guide** at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo). The material relating to investments may change between the time you read this PDS and the day when you acquire the product.

## 6 Fees and 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, or your employer, as applicable, may be able to negotiate to pay lower fees. 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 ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

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

Taxes, insurance fees and other costs relating to insurance are set out in sections 7 and 8 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.

The fees and costs for the MySuper product offered by Essential Super are set out on pages 10 and 11. The fees and costs for each of the other investment options are set out in the **Essential Super Reference Guide** available at [commbank.com.au/essentialsuper](http://commbank.com.au/essentialsuper).

## Essential Super (Lifestage option)

Type of fee <sup>8</sup>	Amount	How and when paid
Investment fee	0.40% pa	The investment fee is reflected in the daily unit price and is generally deducted from the assets of the Lifestage option on a monthly basis.
Administration fee	0.40% pa <b>Plus</b> \$70.56 pa (\$5.88 per month)	The administration fee of 0.40% is reflected in the daily unit price and is deducted from the assets of the Lifestage option on a monthly basis. The administration fee of \$5.88 is deducted from your account balance each month by redeeming units in the Lifestage option. <b>Please note:</b> The amount deducted from your account will be <b>\$5 each month</b> , as we give you the benefit of the tax deduction.
Buy/sell spread	0.15% per transaction. Refer to the 'Fees and costs' section in the <b>Essential Super Reference Guide</b> for further details on buy/sell spreads.	This fee is payable each time you add to, withdraw from or switch to/from the Lifestage option.
Switching fee <sup>9</sup>	Nil	N/A
Exit fee <sup>9</sup>	Nil	N/A
Advice fees relating to all members investing in a particular MySuper product or investment option	Nil	N/A
Other fees and costs	Insurance fees: Refer to the 'Insurance in your super' section in the <b>Essential Super Reference Guide</b> for the insurance premiums and insurance administration fee, if you Insurance cover.	Deducted monthly in advance from your account. <b>Please note:</b> Insurance fees will apply to all insurance cover (automatically approved cover or cover you select).
Indirect cost ratio	Estimated to be: 1940s Lifestage 0.00% pa 1950s Lifestage 0.00% pa 1960s Lifestage 0.00% pa 1970s Lifestage 0.00% pa 1980s Lifestage 0.00% pa 1990s Lifestage 0.00% pa 2000s Lifestage 0.00% pa	These costs are deducted from the underlying assets of the option and are reflected in the daily unit price for that option. Depending on the costs, they may be deducted daily or monthly.

<sup>8</sup> Refer to the **Essential Super Reference Guide**, available at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo) for definitions.

<sup>9</sup> Even though switching fees and exit fees are not charged, buy/sell spreads apply to all options, except the Cash Deposit option. Refer to the **Essential Super Reference Guide** for more information.

All figures disclosed include the net effect of GST. All fees are shown before any allowance for tax payable. The tax deduction claimed by the fund on fees payable in the fund is passed on to you in the form of a reduced fee. You can use the information in the table above to compare costs between different superannuation products.

### Example of annual fees and costs

This table gives an example of how fees and costs for the MySuper product (1980s Lifestage option) for this superannuation product can affect your superannuation investment over a one-year period. You should use this table to compare this superannuation product with other superannuation products.

Example – 1980s Lifestage option		Balance of \$50,000
Investment fees	0.40% pa	For every \$50,000 you have in the superannuation product, you will be charged \$200 per year.
<b>PLUS</b> Administration fees	0.40% pa <b>plus</b> \$70.56 pa (\$5.88 per month)	For every \$50,000 you have in the superannuation product, you will be charged \$200 per year. <b>And</b> , you will be charged \$70.56 in administration fees, regardless of your balance.
<b>PLUS</b> Indirect costs for the superannuation product	0.00% pa	<b>And</b> , indirect costs of \$0 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$470.56</b> for the superannuation product.

\*Additional fees may apply. **And**, if you leave the superannuation entity, you may be charged a **buy/sell spread** which also applies whenever you make a contribution, exit, rollover or investment switch. The **buy/sell spread** for exiting is **0.15%** (this will equal **\$75** for every \$50,000 you withdraw).

**Please note:** Insurance costs will also apply. Refer to page 13 for details.

### Changes to fees

The fees shown here are current at the date of issue of this PDS. However, they can change at any time, without your consent. If we put fees up, we'll give you at least 30 days prior written notice, so you'll know what's going on. This excludes the cost components of fees which are estimates, as the actual costs charged may be more or less than estimated.

### Transaction costs

The fund also pays transaction costs whenever we buy or sell investments. These costs may include brokerage, government

taxes/duties/levies, bank charges, custodian charges on transactions and the buy/sell spread of any underlying funds. To offset these costs, buy/sell spreads apply whenever you transact on your account, for example, when you put money in, switch investment options, or withdraw any of your super funds. This charge ensures that it's the members who are transacting who pay the costs of buying and selling assets – not the other members in that option. The buy/sell spread that applies to each option is shown below.

Option name	Buy/sell spread per transaction (%)
Lifestage option	0.15
Balanced option	0.15
Australian Share option	0.10
Cash Deposit option	Nil

## Find out more

You should read the important information about fees and costs before making a decision. Go to the **Essential Super Reference Guide** at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo)

The material relating to fees and costs may change between the time you read this PDS and the day when you acquire the product.

## 7 How super is taxed

*Tax laws can be complex, and everyone's situation is different. If in doubt you should speak to a tax specialist.*

Your super may be taxed at three different stages:

- when you make a contribution to the fund
- while it's in the fund – earnings from your investments will be taxed
- when you withdraw money from the fund.

The trustee will deduct any applicable tax and pay it to the Australian Taxation Office (ATO) on your behalf.

### Tax on super contributions

Depending on the type of contribution, different tax rules apply. There are also contribution limits (know as contributions caps) that apply depending on the type of contribution you make. These tax rules and contributions caps are explained in more detail in the **Essential Super Reference Guide**.

### Take note

If your contributions exceed the concessional or non-concessional caps, your contributions over the cap may be taxed at rates of up to 47% including Medicare levy.

### Tax on investment earnings

Any money your investments earn in the fund is taxed at a maximum rate of 15%. The actual rate may vary, depending on the type of earnings, the level of tax deductions and tax credits available to the fund. This can mean you'll pay less than 15%.

### Tax on super benefits

When you're able to withdraw your super, the amount of tax you'll pay will depend on the type of super benefit, your age, and whether you receive your benefit as a lump sum or as a pension. It will also depend on the tax components that make up your super benefit. These are explained in more detail in the **Essential Super Reference Guide**.

If you are over 60 when you withdraw your super, you won't have to pay any tax on it (except for some death benefit payments). If you access your super before age 60, you may have to pay tax on some or all of your benefit.

Depending on your circumstances, there may be tax advantages in rolling your super into a pension, rather than taking it as a lump sum.

## Find out more

You should read the important information about taxation before making a decision. Go to the **Essential Super Reference Guide** at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo). The material relating to taxation may change between the time you read this PDS and the day when you acquire the product.

## Take note

### Your Tax File Number (TFN)

#### Why can we ask for it?

Under super law (Superannuation Industry (Supervision) Act 1993), we can collect, use and disclose your TFN.

#### How will we use it?

If you give us your TFN, you are giving us consent to use it for legal purposes. This includes

- disclosing your TFN to another super fund, when your benefits are being transferred, unless you request us in writing not to disclose your TFN to any other super provider; and
- where applicable and unless you opt out, searching for your other super accounts (see below).

If you provide your TFN, it will be treated confidentially.

#### What are the advantages of providing it?

You don't have to give us your TFN – it's not required by law. But giving us your TFN has the following advantages:

- we will be able to accept all permitted types of contributions to your account(s);
- other than the tax that may ordinarily apply, you will not pay more tax than you need to - this affects both contributions to your super and benefit payments

when you start drawing down your super benefits; and

- it will make it much easier to find different super accounts in your name so that you receive all your super benefits when you retire.

**Please note:** The legal purposes may change in the future following legislative change, and the advantages of providing your TFN may also change.

#### **How do we use your TFN to search for your other super accounts?**

Unless you opt out, when we search for your other super accounts, you are consenting to us acting on your behalf and using your TFN to search the ATO's SuperMatch program for super amounts held on your behalf by the ATO or by other super funds (and seeking more information from those funds about the accounts found). This consent will be held into the future and will allow us to complete periodic searches. If at any time you wish to withdraw your consent, please contact us on **13 4074**.

We will let you know the results of all searches. Then, you can decide if you would like us to consolidate your super accounts with us. If you need advice on super consolidation, please talk to a financial adviser.

#### **When will we be checking and updating your TFN?**

Under current legislation, we are required to check whether you have supplied us with a valid TFN whenever we roll over or transfer your account balance. We may do this more often, to ensure that we have the most current and valid data for you. Where you don't provide us with a valid TFN, we may update our records with a TFN provided by the ATO.

In such an event we will not inform you of this update. If we receive a TFN from the ATO, you will be taken to have provided your TFN.

If you don't provide your TFN and you roll over your balance from another fund to Essential Super, the trustee of the other fund may provide your TFN. If so, we will update our records accordingly.

## 8 Insurance in your super

*Essential Super gives you automatic approval for Death and Total and Permanent Disablement (TPD) cover.*

### **How it works**

When you open an account (or your employer opens one for you), you'll be automatically provided with Death and TPD cover; this is known as default cover. However, the cover doesn't start until money is in your account, and this must be within 120 days from the day you open your account. **Please note:** You must be an Australian resident, living in Australia and aged less than 60 years to be eligible for cover.

Insurance cover in Essential Super is provided through a group policy issued to the trustee of the fund by The Colonial Mutual Life Assurance Society Limited, also known as CommInsure or the insurer.

Cover	Description
Death cover	A benefit is paid in the event of your death or terminal illness.
TPD cover	A benefit is paid if you become totally and permanently disabled.

### **Take note**

If you have more than one account in Essential Super, you will only be paid an insurance benefit on one account. Go to the **Essential Super Reference Guide** at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo) for information.

### **How to apply**

You don't need to apply for cover, provided you have money in your account within 120 days of opening it – your cover will automatically commence. After this 120-day period, you will need to apply for cover in NetBank or by calling us, answer health and lifestyle questions and be approved by the insurer.

### **When does your cover start?**

Your cover starts and is effective from when we receive the first payment to your account – from either you, your employer, or someone else on your behalf.

If you have other insurance cover with another fund, and no longer want that cover, don't cancel it until we have confirmed that your cover has started.

Essential Super terms and cover will differ from any existing cover you may currently have. Before you cancel any existing cover, you should compare the terms and read the **Essential Super PDS** and **Reference Guide** to decide whether cover under Essential Super is right for you.

### Take note

Unless you cancel your insurance cover, premiums will be deducted from your account.

### How much cover will you get?

The amount and type of cover you'll receive depends on your age. We'll automatically adjust this amount throughout your life. The cover you receive on joining Essential Super is shown in the table following as 'your default cover'.

Your age	Death and TPD cover		
	Your default cover	If you choose to halve	If you choose to double
14–19	<b>\$50,000</b>	\$25,000	\$100,000
20–24	<b>\$75,000</b>	\$37,500	\$150,000
25–29	<b>\$150,000</b>	\$75,000	\$300,000
30–39	<b>\$200,000</b>	\$100,000	\$400,000
40–44	<b>\$150,000</b>	\$75,000	\$300,000
45–49	<b>\$100,000</b>	\$50,000	\$200,000
50–54	<b>\$80,000</b>	\$40,000	\$160,000
55–59	<b>\$60,000</b>	\$30,000	\$120,000
60–64	<b>\$40,000</b>	\$20,000	\$80,000
65–69 <sup>10</sup>	<b>\$25,000</b>	\$12,500	\$50,000

When you are younger, your cover provided will be lower, as you're less likely to have high financial commitments or debt. In the years when you're more likely to be raising a family and paying a mortgage, your cover will increase.

Then as you get older and move out of this stage, your cover will reduce. For example, at age 20, your default cover will be \$75,000, and when you turn 25, your default cover will automatically increase to \$150,000.

### Take note

You can halve, double or cancel your insurance, at any time after your account has been opened, in NetBank or by calling us on **13 4074**. You should read the important information about insurance in the **Essential Super Reference Guide** before making a decision.

### Changing or cancelling your insurance cover

You can cancel this cover at any time in NetBank or by calling us on **13 4074** after your account has been opened.

You can also choose to halve or double your cover, or downgrade your insurance to only cover you in case of death. If you cancel your insurance, you can still apply later.

When you apply for new or increased cover, you'll have to answer questions about your lifestyle and health and be approved by the insurer.

### How much does insurance cover cost?

While insurance through super is generally cost-effective, it is an additional expense to you. The amount you'll pay for your cover depends on:

- the type of cover you have
- the amount of cover
- your age
- whether you're male or female.

And once your cover is in place, your insurance premiums won't increase because of any change in your health – although they will generally increase each year with age. The costs range from an annual premium of \$21 to \$1,387 for Death and TPD cover. Go to the 'Insurance premiums' section in the **Essential Super Reference Guide** at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo) for the insurance premium rates that will apply to you.

<sup>10</sup> TPD will be assessed under 'Activities of daily living' – see the **Essential Super Reference Guide** for further information.

## Paying insurance premiums

The cost of your insurance – called a premium – is deducted from your super account, monthly in advance. To pay your premiums, we'll sell units in the Lifestage investment option – if there are no funds or not enough funds here, we'll choose the next most conservative (least risky) option available. If you don't have enough in your account to cover your insurance premiums, your cover may lapse. You have 90 days from the last premium due date to pay the premiums. After that, your cover will lapse. You can check your insurance costs at any time in NetBank, on the insurance page of your Essential Super account.

## Making a claim

If you or a beneficiary needs to claim on your cover, you'll need to tell us what's happened as soon as possible. Please call us on **13 4074** for details.

## What's not covered

For the first five years of your cover, a benefit won't be paid if it is due to a pre-existing condition. Generally, a pre-existing condition is an illness or injury that you were aware of at any time in the three years before your cover commenced.

The pre-existing condition exclusion won't apply after the fifth anniversary of your cover if at any time after that anniversary you are capable of working in your usual occupation for two consecutive months.

Additionally, a claim resulting from suicide or self-inflicted injury that has occurred within 12 months of your cover commencing or increasing will not be paid. Additional exclusions will also apply. Please read the 'Exclusions' section in the **Essential Super Reference Guide** for further information on what's not covered.

## Find out more

You should read the important information about insurance, including the ability to cancel this cover, the conditions and exclusions before making a decision. These matters may affect your entitlement to insurance cover. Go to the 'Insurance in your super' section of the **Essential Super Reference Guide** at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo). The material relating to insurance may change between the time you read this PDS and the day when you acquire the product.

## 9 How to open an account

*Your super is important, so make sure you're fully informed before you decide. And if you have any questions, remember we're here to help.*

### Before you apply

Before you decide to apply for Essential Super, you should read all parts of the PDS and the **Essential Super Reference Guide**. You can get copies of these documents, free of charge, at [commbank.com.au/essentialinfo](http://commbank.com.au/essentialinfo) or by emailing

[contactessentialsuper@cba.com.au](mailto:contactessentialsuper@cba.com.au) or by calling **13 4074**. You need to consider the information in the **Application Form**. You can get access to this information when you apply online via NetBank. You should also consider whether this product is appropriate for you.

By completing the application, you agree to the content of the PDS that's available at the date you become a member of Essential Super. After that, we'll notify you of changes to the PDS in accordance with our legal obligations. The trustee of Essential Super is not bound to accept an application.

### Is there a cooling-off period?

If you have set up the account yourself, you have a 14-day cooling-off period. If you decide that Essential Super is not right for you, any contributions you've made, or other transferred super, will be transferred to another super fund of your choice. If your employer has set up the account, you cannot use the cooling-off period yourself.



If you are an employer and have set up an Essential Super account for your employees, you have a 14-day cooling-off period from the date of the first application. If you, as an employer, decide to exercise the cooling-off period, we will transfer the employer contributions made to another fund nominated by you.

The 14 days start when your welcome letter is received by you or five days after the units are issued, whichever occurs first. The amount returned may be less than your original contribution due to market movements, tax and administration and transaction costs.

### **Respecting your privacy**

The privacy of your personal information is important to us. Information about how your personal information is dealt with is set out in the **Essential Super Reference Guide**. You should read this information before you apply as you will be taken to agree to the collection, use and disclosure of your personal information when you apply to make an investment.

### **What to do if you have a complaint**

We accept that sometimes we can get things wrong, and when this happens we're determined to make them right again.

### **Talk to us**

Most problems can be resolved quickly and simply by talking with us. You can call us on **13 4074** from 8am to 7pm (Sydney time) Monday to Friday or email us at **contactessentialsuper@cba.com.au**

If you need further assistance after your initial enquiries, you can contact Group Customer Relations.

### **Group Customer Relations**

1800 805 605

**customerrelations@cba.com.au**

### **You can also contact us**

- by writing to: CBA Group Customer Relations, GPO Box 41, Sydney NSW 2001
- through a third party, providing you give us written authority to deal with them about the complaint.

When you make a complaint to us, we will:

- acknowledge your complaint and make sure we understand the issues
- do everything we can to fix the problem
- keep you informed of our progress
- keep a record of your complaint, and
- give you our name, a reference number and contact details so you can follow us up.

If your complaint relates to a direct debit arrangement, we will provide a response within 21 days. We will contact you within 45 days of receiving your complaint (if it does not relate to a direct debit arrangement) to provide an update and to let you know that if we do not resolve your complaint within 90 days, you may request reasons for the delay.

We will also:

- advise you of your right to complain to the Superannuation Complaints Tribunal (SCT), and
- provide you with the SCT contact details.

If your complaint does not relate to the payment of a death benefit, you may also have the right to request written reasons for our decision or our failure to make a decision.

### **External dispute resolution**

If you are not happy with the response we provide, you may refer your complaint to an external dispute resolution service. The SCT is a Commonwealth Government body that deals with complaints about superannuation. You can contact the SCT on 1300 884 114, or by writing to Superannuation Complaints Tribunal, Locked Bag 3060, Melbourne VIC 3001, or online at **www.sct.gov.au**