TIDSWELL MASTER SUPERANNUATION PLAN

MEMBER GUIDE

29 September 2017

The information in this document forms part of the Tidswell Master Superannuation Plan Product Disclosure Statement (PDS) dated 29 September 2017 and will remain in force unless withdrawn by the Issuer.

This Member Guide should be read in conjunction with the:

1. PDS in respect to the Tidswell Master Superannuation Plan; and
2. Investment Guide in respect to the Tidswell Master Superannuation Plan; and
3. Insurance Guide in respect to the Tidswell Master Superannuation Plan.

Issued by Tidswell Financial Services Ltd
ABN 55 010 810 607
Australian Credit Licence 237628, AFSL 237628,
RSEL L0000888, as Trustee of
The Tidswell Master Superannuation Plan Division 1,
ABN 34 300 938 877, RSE R1004953

TIDSwell FINANCIAL

THIS MEMBER GUIDE

The information in this booklet forms part of the Tidswell Master Superannuation Plan Product Disclosure Statement (PDS).

Its purpose is to give you more information and/or specific terms and conditions referred to in the PDS. You should consider all that information before making a decision about Personal Super or Personal Pension (as defined in the PDS and this Member Guide).

The Tidswell Master Superannuation Plan is a regulated and complying super fund administered in accordance with its trust deed and rules.

Tidswell Financial Services Ltd ABN 55 010 810 607, Australian Financial Services Licence 237628, Registrable Superannuation Entity Licensee L0000888 is the Issuer and Trustee of the Tidswell Master Superannuation Plan ABN 34 300 938 877 Registration Number R1004953 (the Plan).

If you invest in Personal Super or Personal Pension, you can access a copy of the PDS, this Member Guide and any matter that is applied, adopted or incorporated in the PDS from our website at www.tidswell.com.au. Alternatively, you can request a copy of this information free of charge by contacting Tidswell on (08) 8223 1676.

The information provided in this Member Guide is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

CONTENTS

1. IMPORTANT INFORMATION

When you invest in The Tidswell Master Superannuation Plan (the Plan) you become a member of the Plan. You may become a member of the Plan:

- while your super is in 'accumulation' phase (described in the PDS and this Member Guide as Personal Super); or
- while your super is in 'pension' phase (described in the PDS and this Member Guide as Personal Pension). Tidswell Financial Services Ltd (Tidswell) is the Trustee of the Plan and the issuer of this Member Guide.

An investment in Personal Super or Personal Pension is not a deposit or other liability of Tidswell, the custodian (Australian Executor Trustees Limited) or any of their related entities and none of them guarantees the capital or performance of your investment.

An investment in Personal Super or Personal Pension is subject to investment risk, including possible repayment delays and loss of income and principal invested.

The information provided in this Member Guide is of a general nature and has been prepared without taking into account your objectives, financial situation and needs. You should consider the appropriateness of Personal Super or Personal Pension, having regard to your objectives, financial situation and needs.

You should obtain a copy of the PDS for Personal Super or Personal Pension before making any decision about whether to acquire, or continue to hold, the product. You can obtain a copy of the PDS from our website at www.tidswell.com.au or by contacting Tidswell on (08) 8223 1676.

The Plan is governed by a Trust Deed. Together with superannuation law, the Plan's Trust Deed sets out the rules and procedures under which the Plan operates and the Trustee's duties and obligations. If there is any inconsistency between the Trust Deed and the PDS or this Member Guide, the terms of the Trust Deed prevail. A copy of the Trust Deed can be obtained free of charge by contacting Tidswell.

Insurance cover is available through Personal Super under two insurance policies issued by MetLife Insurance Limited (the Insurer). MetLife issued the insurance policies to the Trustee of the Tidswell Master Superannuation Plan.

The Trustee reserves the right to change insurers and policy(s) at any time.

All insurance cover with the Plan is subject to acceptance by the Plan's insurer and the terms and conditions of the insurance policies.

Tidswell relies on a number of third parties for the provision of specialist services in respect of the Plan.

Tidswell is responsible for the contents of this Member Guide. Information in this Member Guide may by updated or replaced at any time.

Entity details described in this Member Guide

Name of entity	Registered numbers	Abbreviated terms
The Tidswell Master Superannuation Plan	ABN 34 300 938 877 RSE R1004953	Plan
Tidswell Financial Services Ltd	ABN 55 010 810 607 AFSL 237628 RSE L0000888	Trustee or Tidswell
Australian Executor Trustees Limited	ABN 84 007 869 794 AFSL 240023	Custodian
MetLife Insurance Limited	ABN 75 004 274 882 AFSL 238096	Insurer

2. HOW SUPER WORKS

Super is a long-term investment and a tax-effective means of saving for your retirement which is, in part, compulsory.

While you are working, your employer is, in most cases, required to make contributions to your super, known as Super Guarantee (SG). Subject to the terms of your employment, you generally have the right to choose which super fund you would like your employer to make compulsory SG contributions to, including Personal Super. There are many different types of contributions that can be made to your super, including salary sacrifice contributions, personal contributions, spouse contributions, Government co- contributions, etc.

The Government provides incentives (including tax savings) to encourage you to save for your retirement through super. However, there are limits on the contributions that you can make to your super. In some situations you may need to pay additional tax on contributions that exceed these limits (see Part 6 of this Member Guide 'How Super is taxed') but in other situations you may be prevented from contributing or making further contributions. There are also limits on the total amount that you can transfer into a pension account including the Personal Pension.

There are also restrictions around when you can access your super. Generally you can only access your super savings once you reach age 65, after you reach your preservation age and retire (with some exceptions), or in certain other circumstances. You can access your super savings as a lump sum or receive a regular income stream through a pension account, including Personal Pension.

Personal Pension allows you to draw a regular income from your super savings while taking advantage of generous tax concessions afforded to income streams.

Types of super contributions

Concessional contributions

Concessional contributions are generally contributions for which a tax deduction has been claimed either by an employer or individual. They include the following types of contributions:

Super Guarantee

The SG scheme requires your employer to provide you with a minimum level of super support each quarter.

The SG rate for 2017/18 is 9.5% of your ordinary time earnings. SG rates for other years are outlined in the table below:

Year commencing	Minimum SG contribution
2014/15 to 2020/21	9.50%
2021/22	10.00%
2022/23	10.50%
2023/24	11.00%
2024/25	11.50%
2025/26 and later	12.00%

There are some employees for whom an employer does not have to make SG contributions, including:

- part-time employees (i.e. those who work less than 30 hours a week) who are aged under 18 years; and
- employees who receive salary or wages of less than $450 in a calendar month from an employer.

There is no age limit for employees to be eligible for SG.

Voluntary employer contributions

Your employer can make extra voluntary contributions to your super in addition to the mandatory SG contributions. This may include super costs paid by your employer on your behalf such as insurance premiums.

Salary sacrifice

Salary sacrifice is an arrangement between you and your employer where you agree to reduce your pre-tax salary by a nominated amount to be contributed into your super fund instead. Salary sacrificing can reduce your income tax and increase your retirement savings. These contributions are made with pre-tax income and are taxed at 15% instead of your marginal tax rate.

For more detailed information refer to the *Salary sacrificing* section on page 18 of this Member Guide.

Non-concessional contributions

Non-concessional contributions are generally contributions made to super for which a tax deduction has not been claimed, with some exceptions. They include the following types of contributions:

Personal contributions

Personal contributions for which you cannot claim a tax deduction.

If you make personal contributions you may qualify for a Government co-contribution. For more detailed information refer to the *Government co-contribution* section on page 5.

Spouse contributions

The Plan will accept contributions made by your spouse into your account if you are under the age of 65. If you are aged between 65 and 69 (inclusive) your spouse can still contribute provided you have worked at least 40 hours in a period of not more than 30 consecutive days in the financial year that the contribution is made. There is no need for your spouse to satisfy this work test.

Depending on your personal circumstances the contributing spouse may be eligible for a tax offset. For more detailed information refer to the *Spouse contributions* section on page 4.

Excess concessional contributions

Contributions in excess of your concessional contributions cap are counted as non-concessional contributions.

Other contributions

Rollovers and transfers from other super funds

You may have worked in various jobs throughout your working life and accumulated a number of super accounts over the years. Consolidating your super funds by rolling them over into one account can help build your retirement savings faster, make it easier to keep track of your super and minimise fees on multiple accounts.

Government co-contribution

The Government co-contribution is a payment made by the Government to low and middle-income earners. The payment is designed to reward those who make an additional personal contribution to their super, on top of what their employer contributes. At least 10% of your total income must come from employment related activities, carrying on a business or a combination of both.

If you earn less than $51,813 pa and make a personal contribution, you may be eligible for a co-contribution of up to $500. In order to be eligible your superannuation balance on 30 June of the previous year must be less than $1.6 million and your non-concessional contributions cannot exceed your non-concessional contributions cap for that year. The maximum co-contribution of $500 applies for people earning up to $36,813 who have made a personal contribution of $1,000 to their super.

The amount of co-contribution reduces for incomes above $36,813. If you make a contribution of less than $1,000 the amount of co-contribution will also reduce.

If you are eligible for a co-contribution, it will be automatically calculated by the Australian Taxation Office and deposited into your account each year after you lodge your tax return.

Small business capital gains tax concessions

You may be able to contribute funds from the sale of assets held in connection with a business that satisfy the basic conditions for small business capital gains tax (CGT) relief. From 1 July 2017, there is a $1.445 million per person (indexed) lifetime limit for such contributions as well as a time limit as to when the funds must be paid into a super fund.

Super contribution spitting

You may be able to split super contributions with your spouse.

Super splitting is only available for concessional contributions. You can split 85% of concessional contributions up to the annual concessional contributions cap.

Please note that the amount transferred to your spouse's super account counts towards your concessional contributions cap.

A spouse is not eligible to receive a super splitting transfer if they are aged 65 or more, or have reached their preservation age and are retired.

You are able to make a request to split your contributions once per year. Applications to split contributions must be made by 30 June of the financial year following the financial year in which the contributions were made. Please contact Tidswell for further information on how to apply.

Limits on contributions

Concessional contribution cap

An indexed cap of $25,000 per person per year applies to concessional contributions.

Non-concessional contribution cap

An annual cap of $100,000 per person applies to non-concessional contributions. Individuals under age 65 on 1 July are able to bring forward an additional 3 years' worth of contributions for a $300,000 cap to apply over three years.

Once you contribute more than the $100,000 cap in a financial year the three year cap limit is activated.

Individuals aged 65 or over on 1 July can only make non-concessional contributions up to $100,000 pa in that year and each subsequent year to age 75 provided they meet the work test. They cannot take advantage of the bring forward provisions.

Note that the amount of the annual and bring forward provisions were decreased on 1 July 2017. If you triggered the bring forward period in 2015-16 or 2016-17 transitional arrangements are in place that mean that the bring forward cap may be higher than $300,000. If you are in this position you should seek personal financial advice.

Tidswell is unable to accept non-concessional contributions in excess of three times the cap.

For individuals with a total superannuation balance greater than $1.6 million at the end of 30 June of the previous financial year, any non-concessional contributions will be treated as excess non-concessional contributions. If your balance is greater than $1.4 million it will affect the bring forward amount that is available to you.

Exemptions

Some personal contributions can be made to super and not count towards the non-concessional contributions cap.

These are small business CGT contributions and certain payments for personal injuries resulting in permanent incapacity.

Excess contributions

There are significant tax implications for exceeding the above caps. For more detailed information about the tax treatment of excess concessional and non-concessional contributions refer to the *How super is taxed* section on page 17.

Who can contribute to super?

The following table summarises the circumstances under which a super fund can accept contributions:

Age	Accepted contributions
Under age 65	• All contributions made in respect of the member, irrespective of employment status.
65 to 69	• Any contribution (personal or spouse) if the member to whom the contribution is made has been gainfully employed for at least 40 hours in a period of not more than 30 consecutive days in that financial year. • Mandated employer contributions. • Personal contributions if the member has been gainfully employed for at least 40 hours in a period of not more than 30 consecutive days in that financial year and the contributions are received by the 28th day after the end of the month in which the member turns 75. • Non-mandated employer contributions for a member by the 28th day after the end of the month in which the member turns 75.
Over 75	• Mandated employer contributions.

Accessing your super

As super is a long-term investment, the Government has placed restrictions on when you can access your super benefits.

Preserved benefits

Most super benefits are 'preserved' and can only be accessed if one of the following conditions of release is satisfied:

- permanent retirement after attaining your preservation age (see table below);
- ceasing employment after age 60, irrespective of future work intentions;
- attaining age 65;
- death;
- permanent incapacity;
- suffers severe hardship;
- receiving a non-commutable income stream during a period of temporary incapacity;
- attained preservation age (see table below) and takes the benefits as a non-commutable income stream;
- suffers from a terminal illness; or
- if you are required to pay an excess contributions tax liability.

Preservation age varies according to your date of birth as detailed in the following table:

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

Restricted non-preserved benefits

Restricted non-preserved benefits include benefits accruing to a member in an employer super fund prior to 1 July 1999 which are not preserved but are not yet payable because the member is still an employee of the employer. Restricted non-preserved benefits can be withdrawn in the same circumstances as preserved benefits; however, they may only be withdrawn on the member terminating employment with that employer, which can be before preservation age.

Unrestricted non-preserved benefits

Unrestricted non-preserved benefits are benefits that are not subject to preservation and can be withdrawn at any age.

Temporary residents

If you are a temporary resident and you are permanently leaving Australia, you may request your accumulated super benefit be paid to you; however, higher tax rates may apply.

Further information about the conditions of release for temporary residents can be found on the Australian Taxation Office's website at www.ato.gov.au/super.

Establishing a pension

If you have retired are semi-retired or about to retire, and have met a condition of release, you may be able to transfer your super savings to an account based pension through Personal Pension or transition to a retirement (TTR) pension through Personal Super.

However from 1 July 2017 there is a limit on how much of your super you can transfer from your accumulation super account to an account based pension. This is called the Transfer Balance Cap and will start at $1.6 million and will be indexed in line with the consumer price index (CPI). Any account based pensions that commenced before 1 July 2017 will count towards the Transfer Balance Cap. If you exceed our Transfer Balance Cap you may have to remove the excess amount and pay tax on the notional earnings related to that excess.

A TTR is a highly flexible and tax-effective investment structure that allows you to draw down regular income from your super savings. However note that TTR pensions are treated as being in the 'accumulation' phase and not the 'pension' phase and as a result superannuation funds will no longer receive a tax exemption for earnings on assets supporting a TTR. For more information refer to the *How super is taxed* section on page 17.

How much income will you receive?

Personal Pension pays a regular income stream (pension payments) subject to a minimum limit that applies each financial year and in the case of a TTR pension, a maximum annual payment.

The minimum annual pension payment is first calculated when you start your pension and is recalculated each year on 1 July using your account balance and age at that date.

We will write to you at the beginning of each new financial year and advise you of your minimum pension payment for that year. If you choose to receive the minimum annual pension payment, we will make pension payments from 1 July at the new minimum level. If your nominated annual pension payment is already higher than the new minimum, your pension payment will remain unchanged from that paid in the previous financial year.

In the first year, your pension payment is pro-rated based on the number of days remaining in the financial year. If the pension commences on or after 1 June, no payment is required in that financial year.

You may estimate your own minimum annual pension payment by multiplying your account balance on 1 July by the appropriate minimum payment percentage for your age as detailed in the table below:

Age	Minimum payment percentage
Under 65	4%
65 - 74	5%
75 - 79	6%
80 - 84	7%
85 - 89	9%
90 - 94	11%
Over 94	14%

Example: For minimum payment percentages

Mary is 65 and has an account balance of $260,000. Mary would have the following minimum payment as at 1 July (subject to rounding to the nearest $10).

Minimum: $260,000 x 5% = $13,000

Mary may select any annual pension payment amount of $13,000 or above.

Note: This example is for illustrative purposes only and should not be regarded as a forecast for your future pension payment. Your financial adviser will be able to assist you by assessing your individual needs.

Can you make lump sum withdrawals?

You may withdraw all or part of your Personal Pension balance at any time by written request. However, if it is a TTR pension restrictions apply. Please refer to the *Withdrawing from a TTR pension* section on page 7.

If you withdraw a lump sum, legislation does not allow your minimum income level to be recalculated, based on the new account balance, until the following 1 July. We may also be required by law to ensure you have taken your minimum pension payment (pro-rated) for the current year. Any additional pension payment that is required to be made will be processed before the withdrawal.

A withdrawal will generally consist of two components – and tax-free. You are required to draw down proportionately from these components.

People under age 60 should be aware that there may be tax implications for making lump sum withdrawals from an account based pension. For more detailed information refer to the *How super is taxed* section on page 17.

What is a TTR pension?

The Government has put rules in place to restrict when your super benefits can used to establish a pension. These rules are known as 'preservation'. Your ability to purchase a pension will depend on the classification of your super benefits as described in the *Accessing your super* section on page 5.

If you have reached your preservation age, you can invest your super benefits in a TTR pension even if you are still working.

A TTR pension will allow you to commence a regular income stream despite the preservation status of your current super benefits.

TTR pensions are subject to a maximum annual pension payment equal to 10% of the account balance upon commencement and on 1 July of each year thereafter.

Withdrawing from a TTR pension

Additional restrictions on withdrawals apply when compared with an account based pension. Withdrawal restrictions are lifted when you attain age 65 or you meet certain conditions of release (whichever occurs first).

How often will you receive payments?

You can choose the frequency of your pension payments; however, you must receive at least one pension payment each year, within your minimum and maximum (if applicable) limits.

Payment frequency	25th day of
Monthly	Each month
Quarterly	September, December, March and June
Half Yearly	December and June
Annually (in advance)	July
Annually (in arrears)	June

If the 25th day of the month falls on a weekend or public holiday, the pension payment will be made on the last business day preceding the 25th.

Your pension payments will be credited directly to your nominated bank account.

Please note that you can request a change to the frequency of your pension payments at any time by contacting Tidswell.

How long will your pension last?

Your pension may not provide you with an income for the rest of your life. How long your pension payments last will depend on many factors, including whether or not you choose to receive above the minimum level of payment, the returns on your investments and if you make additional lump sum withdrawals.

What are the Centrelink implications?

It is important to note that your pension payments are considered as income for the purpose of Centrelink's Income Test, however, only the actual income received less an allowance for the deductible amount (i.e. capital deemed to be returned in each payment) is assessable. The account balance of your pension is considered as an assessable asset for the purposes of Centrelink's Assets Test.

Before commencing a pension you should seek advice from your financial adviser about the potential Centrelink implications.

3. BENEFITS OF INVESTING IN THE PLAN

Personal Super and Personal Pension offer you an extensive range of features and member services, including:

- a wide choice of investment options that cover most asset classes and risk profiles, including multi sector and sector specific funds, Australian listed securities,
- exchange traded funds (ETFs), exchange traded commodities (ETCs), Australia real estate investment trusts (A-REITs), listed investment companies (LICs) and listed investment trusts (LITs), fixed interest securities as well as pooled and direct mortgage investments and term deposits;
- access to comprehensive and tax effective insurance cover for Death Only, Death and Total and Permanent Disablement (D&TPD) and Income Protection through Personal Super;
- a simple and effective fee structure;
- rollover assistance for super accounts you may have elsewhere;
- a straightforward transfer to Personal Pension when you retire;
- ongoing administration and consolidated reporting across all your investments; and
- helpful and efficient client service.

How Personal Super and Personal Pension accounts work

When you join Personal Super or Personal Pension, an account is set up in your name based on your personal details. The account holds all your underlying investments and includes a Cash Account, which operates in a similar way to a bank account.

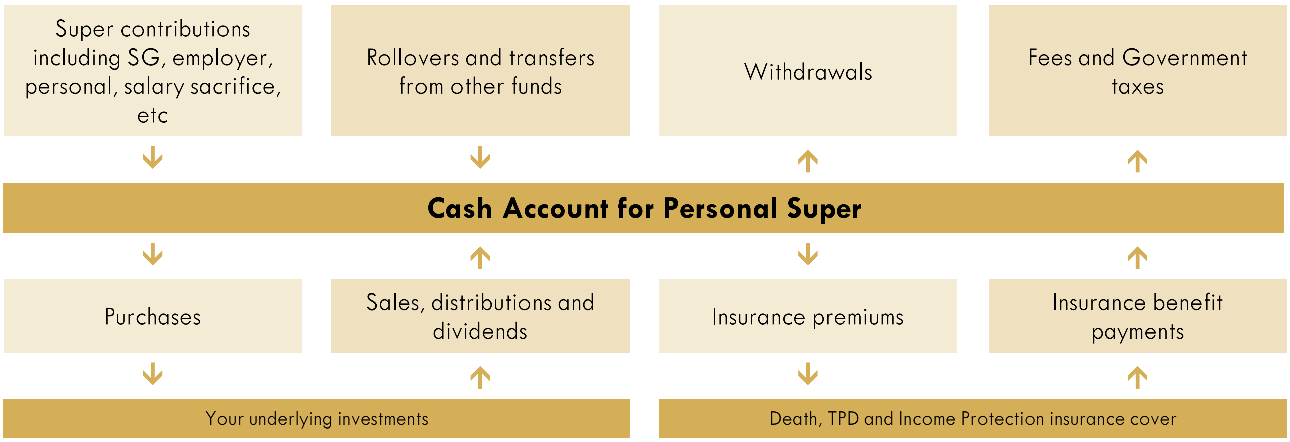
All transactions will pass through your Cash Account. Contributions, rollovers and transfers, as well as any withdrawals, and pension payments will be made via your Cash Account. Investment distributions and dividends will be credited to your Cash Account and invested in accordance with your investment strategy. Provisions for items such as fees, charges and tax may be held in your Cash Account pending payment.

The balance held in your Cash Account will accrue interest daily and is allocated to your Cash Account at the end of each month. If there are insufficient funds held in your Cash Account to meet your requirements, investments may be sold down at Tidswell's discretion to meet these obligations.

If your Cash Account has a negative balance at any time, interest will be charged on the negative balance at the same rate as the interest paid on a positive balance.

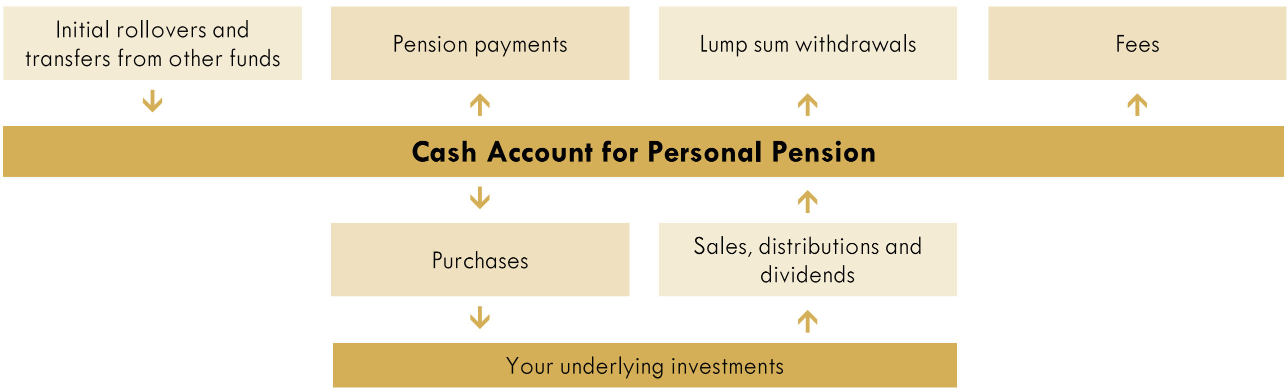
Personal Super

The following diagram illustrates amounts that may go into and out of your Personal Super account:



Personal Pension

The following diagram illustrates amounts that may go into and out of your Personal Pension account:



Accessing up to date information

The information in the PDS is up to date at the date of its preparation. However, certain information in the PDS is subject to change from time to time. Information or alterations that are not materially adverse may be updated via Tidswell's Annual Report to members.

The updated information is available upon request by contacting Tidswell.

The only information that may be updated in this fashion is information which is not 'materially adverse'. Materially adverse information is information which:

- is misleading or deceptive as it appears in the PDS;
- has been omitted from the PDS where it was required by the Corporations Act to be included; or
- has arisen since the PDS was prepared, which would have been required by the Corporations Act to have been included in the PDS, if it had arisen before the PDS was prepared.

Where information changes that is materially adverse, Tidswell will advise all members in writing and will issue a supplementary or replacement PDS.

Member communication

Tidswell's staff can assist you with any queries you may have. Tidswell also provides information about your account via a number of communications:

- An Annual Statement at 30 June and Half Yearly Statement at 31 December each year showing your account balance, your investments and a transaction history, including fees and charges made during the period.
- An Annual Report which contains information about the management and financial position of the Plan, including the performance of the available investment options.

Choice of super fund

Under the Superannuation Legislation Amendment (Choice of Superannuation Funds) Act 2004, employees can choose the fund into which SG contributions are paid; however, some exceptions apply. You can nominate the Plan as your chosen super fund for SG contributions by completing and providing your employer with a "Standard choice form" which is available from Tidswell on request.

Your employer is only required to accept one nomination from you to change funds within any 12 month period. You should speak to your financial adviser about any implications of changing super funds.

What payment options are available for making contributions?

Tidswell offers two convenient ways in which contributions can be made to your Personal Super account.

- Cheque: Contributions should be made payable to "AETL — Tidswell Master Superannuation Plan".
- Electronic Funds Transfer (EFT): Please contact Tidswell for more information about contributing via EFT.

All contributions should be accompanied by your member number and a Remittance Advice form containing information about the type of contribution being made.

Please note that Tidswell reserves the right to reject contributions and rollovers.

Making withdrawals

Withdrawals can be made at any time subject to satisfying a condition of release and compliance with the relevant legislation and Trust Deed. For more detailed information on conditions of release refer to the *Accessing your super section* on page 5 of this Member Guide.

Withdrawal requests are processed as soon as reasonably practicable and, ordinarily within 10 business days of receipt of a request, provided there are sufficient funds in the Cash Account to meet the withdrawal request. If sufficient cash is not available, underlying investments will need to be sold.

Please note that we have up to 30 days from receipt of a request to process a withdrawal. There is an exception to this requirement where particular investments have redemption restrictions imposed on them that prevent us from paying a benefit within this period. These investments are referred to as 'illiquid investments' and are identified in the Investment Guide.

To make a withdrawal you will need to complete a Benefit Payment Request which can be obtained by contacting Tidswell.

What happens to your super if you die?

In the event of your death, your account balance, plus any insurance benefit paid by the Insurer (if applicable), must be paid to your dependants, your estate, or a combination of both.

For Personal Super you can make two types of nominations, either non-lapsing binding or non-binding, and in both cases the beneficiary(ies) you nominate must be your dependants or your estate.

For Personal Pension, you can:

- nominate your spouse as a reversionary beneficiary to enable your pension payments to continue to be made to them; or
- make a non-lapsing binding or non-binding nomination, which you can cancel or change at any time.

In certain circumstances, you may nominate your child to receive a pension. The rules around when pensions can be paid to a child, including when a child must commute a pension into a lump sum, are complex and you should speak to your financial adviser for more information.

Death benefits paid to dependants may be paid as a lump sum or an income stream (conditions apply) or a combination of both.

Who is a dependant?

Under superannuation law, a dependant includes:

- your spouse (including de facto spouse or a partner of the same sex);
- your children (including an adopted child, a stepchild, a child of your spouse or an ex-nuptial child);
- any other person who is financially dependent on you; and
- any other person with whom you have an interdependency relationship.

What is an interdependency relationship?

Generally, two persons (whether or not related by family) 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.

All of the above conditions must be met.

An interdependency relationship also includes two persons who (whether or not related by family):

- have a close personal relationship; and
- do not meet the other three criteria listed above because either or both of them have a physical, intellectual or psychiatric disability.

Your financial adviser can assist you with advice on who qualifies as an eligible dependant.

Nominating a reversionary beneficiary

A reversionary beneficiary can only be nominated at the commencement of your pension.

You can nominate your spouse as a reversionary beneficiary. In the event of your death, your pension will continue to be paid to your surviving spouse.

If your reversionary beneficiary dies before you or is no longer your spouse, the Trustee will normally pay your benefit in accordance with a valid binding nomination, or where a binding nomination does not exist, in accordance with any valid non-binding nomination.

To nominate your spouse as a reversionary beneficiary please complete the relevant section of the Personal Pension Application Form.

Nominating a beneficiary

You can nominate, cancel or change your nominated beneficiary(ies) by completing a Nomination of Beneficiaries Form, available from our website at www.tidswell.com.au or by calling Tidswell on (08) 8223 1676. You will need to comply with the legal requirements detailed below.

Your nomination may be, or may become, defective in certain situations. Refer to the following sections for further information about these events. You should revise your nomination if any of these events occur. It is important that you keep your nomination up to date and in line with your personal circumstances so that it continues to be effective.

Your acceptance letter and Annual Statement will provide details of any nominations you make.

Non-lapsing binding nomination

If you provide us with a non-lapsing binding nomination that satisfies all legal requirements, we must pay your death benefit to the beneficiary(ies) you have nominated and in such proportions as you have specified, provided:

- each nominated beneficiary is a dependant or your legal personal representative at the time of your death; and
- your binding nomination is in writing and two persons over 18 years of age who are not nominated beneficiaries have witnessed you signing your nomination.

Note: the binding nomination under Personal Super and Personal Pension is non-lapsing, i.e. it will remain in place until it is amended or revoked.

Non-binding nomination

You can make a non-binding nomination which does not have to be witnessed. If you provide us with a non-binding nomination, we will generally pay your death benefit to the beneficiary(ies) you have nominated and in such proportions as you have specified, provided:

- each nominated beneficiary is a dependant or your legal personal representative at the time of your death;
- you have not married, entered a de facto or like relationship with a person of either sex or permanently separated from your spouse or partner since making your nomination; and
- your non-binding nomination has not been revoked and is not defective for any reason.

It is important to note that a non-binding nomination will not override a previous, valid binding nomination made by you.

If you have already made a binding nomination you must revoke it first and then make a non-binding nomination.

Defective nominations

Your nomination will be defective if:

- it is unclear to us, e.g. because it is illegible or because the nominated proportions do not total 100%;
- you do not sign or date the form; or
- it is not witnessed correctly (non-lapsing binding nomination only).

A non-binding nomination will also be defective if we receive information before paying the benefit that, when you made the nomination, you did not understand the consequences of making it.

Your nomination may become partially defective if a nominated beneficiary dies or ceases to be a dependant while you are still living. You should revise your nomination if either of these events occurs.

If you do not make a valid nomination, or cancel your existing nomination, or to the extent your nomination is defective, your death benefit will be paid to your dependant(s) or to your legal personal representative at the Trustee's discretion.

Anti-detriment payments

Prior to 1 July 2017, we were able to pay an anti-detriment payment in addition to your available death benefit if your death benefit is payable for the benefit of your dependant(s). A dependant for this purpose includes your spouse, ex-spouse, child, spouse's child or, in certain circumstances, your estate. Trustees making an anti-detriment payment were entitled to a corresponding tax deduction.

This additional payment notionally represents the amount that would have been included in your death benefit, had contributions tax not been payable.

From 1 July 2017 the tax deduction available to the trustees is no longer available where a member dies on or after 1 July 2017. As a result from 1 July 2017 anti-detriment payments will NO longer be made by the trustee.

For more information on anti-detriment payments please speak to your financial adviser.

4. RISKS OF SUPER

Investment in super is subject to legislative requirements. Changes to legislation are made frequently and may affect who can invest, what tax is to be paid and when and how money can be withdrawn. Super funds are governed by a Trust Deed. Tidswell is able to amend the rules in the Plan's Trust Deed which may affect how the Plan operates. However, Tidswell is prevented by law and the Trust Deed from amending the Trust Deed in a manner that reduces your entitlements.

An investment in Personal Super or Personal Pension is subject to investment risks which could include delays in repayment and loss of income or capital invested. Tidswell, the fund managers, nor any associated entities of Tidswell and the fund managers, guarantees the performance of investment options or any return of income or capital.

Further information regarding specific investment risks is provided in the Investment Guide. Other risks may relate to increases in fees and charges, etc.

5. 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 for more information.

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) has a superannuation calculator to help you check out different fee options.

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

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

Taxes, insurance fees and other costs relating to insurance are set out in another part of this Member Guide and the Insurance Guide.

You should read all the information about fees and costs because it is important to understand their impact on your investment. Fees and costs for particular investment options are set out in the Investment Guide.

Unless stated otherwise, the fees and costs disclosed in this PDS include the Goods and Services Tax (GST), which is, any GST at the applicable rate less any Reduced Input Tax Credit (RITC) and stamp duty if applicable. We do not reduce fees by any income tax deduction we (or an interposed vehicle) may be able to claim.

Tidswell Master Superannuation Plan fee table

Type of fee [1]	Amount	How and when paid
Investment fee	The fee varies depending on the investment option chosen and ranges from 0.23% pa to 1.50% pa of the amount you have invested in each investment option. Investment fees for all investment options offered by the Plan are shown in the Investment Guide. Performance related fees may apply to specific investment options. Any performance related fees will be in addition to the investment costs shown in the Investment Guide. Refer to Performance fees under the *Additional explanation of fees and costs* on page 14 for more details.	Deducted from the underlying assets of your investment and included in the unit price or earning rate of the investment. This fee is not deducted directly from your account.
Administration fee	First $2,068,000 1.56% pa Over $2,068,000 0.78% pa	Calculated on your month-end account balance and deducted monthly from your account.
Buy-sell spread	0.00% to 1.10% (combined buy/ sell) depending on the investment option. Please refer to the Investment Guide for the specific buy/sell spread that applies to each investment option.	Deducted on a transactional basis every time units in an investment option are bought and sold and is reflected in the unit price.
Switching fee	Nil	Not applicable
Exit fee	Nil	Not applicable
Advice fees relating to all member investing in a particular MySuper product or investment option [2]	Nil	Not applicable
Other fees and costs	The amount payable will depend on each member's personal circumstances.	Please refer to the *Additional explanation of fees and costs* on page 14 below.
Indirect cost ratio [3]	The fee varies depending on the investment option chosen and ranges from 0.00% pa to 1.58% pa of the amount you have invested in each investment option. Investment fees for all investment options offered by the Plan are shown in the Investment Guide.	Deducted from the underlying assets of your investment and included in the unit price or earning rate of the investment. This fee is not deducted directly from your account.

1 Defined fees
For further information regarding the definitions for each type of fee referred to in the above table, refer to the 'Defined Fees' section below.
You can also access a copy of the fee definitions on our website at www.tidswell.com.au.

2 Advice fees
Warning: If you consult a financial adviser to obtain financial product advice, additional fees may be payable to your financial adviser. Your adviser should give you a Statement of Advice detailing these fees.

3 Indirect cost ratio (ICR)
The ICR shown above is indicative only. The actual amount you will be charged in subsequent financial years is not currently known and could be different. See the '*Additional explanation of fees and costs*' section on page 14.

Additional explanation of fees and costs

Advice fee

The Plan does not pay commissions to financial advisers. Advice to members about their Plan account is generally provided at no additional cost.
Warning: If you receive personal advice from a financial adviser you may be charged a fee. Should a financial adviser charge a fee, the financial adviser is required to tell you together with the amount of the fee before you receive the advice. Further, details of and the amount of the fee will be set out in the Statement of Advice the financial adviser is required to provide you for your records.

Investment fee

Investment costs range from 0.23% pa to 1.50% pa of the amount you have invested in the relevant managed investment option. They represent the fees and costs for operating your underlying managed investment options and are charged by the individual fund managers and may include a performance related fee - see below. This is not a fee or expense charged by Tidswell. Please note that investment costs are deducted by the fund manager before unit prices and/or distributions are declared and are not an additional direct cost to you.

The investment costs for each managed investment option available through the Plan are detailed in the Investment Guide.

Over and above the Investment fee charged by each fund manager, an investment charge may be charged in situations where an extraordinary investment is requested for your account. The Trust Deed allows for a maximum investment charge of 3% pa of the value of the investment being made. It is not Tidswell's intention to charge an investment charge in the course of ordinary investment activity.

Performance fees

The Trustee does not charge a performance fee. The underlying investment manager's fee may include a performance related fee, which is a fee paid to investment managers for performance over agreed benchmarks.

Performance related fees are in addition to the investment costs and are calculated as a percentage of the value by which an investment outperforms a specified performance benchmark. Refer to the Investment Guide and also relevant investment options PDS for details on how this amount is calculated (if applicable).

Administration fee

The administration fee listed in the table on page 13 covers the costs of administering and operating the Plan and is a charge deducted from your account at each month end.

The Trust Deed allows for a maximum administration fee of 2.88%, however, Tidswell has no intention to increase the administration fee offered under this PDS. The Administration fee encompasses all costs of administration of the Plan including indirect costs which are ordinarily included in the indirect cost ratio.

Buy/sell spreads

Fund managers may impose different buying and selling prices in respect of the investments they manage. This is not a fee or cost charged by Tidswell. The buy-sell spread is the difference between the buying and selling price of a unit. Its purpose is to recover costs associated with the buying and selling of investments and may vary depending on the investments you select. The charge is incurred at the time of buying or selling units and is an additional cost to investors.

The buy/sell spreads for each managed investment option available through the Plan are detailed in the Investment Guide.

Transactional & Operational Cost

In operating the assets of a managed investment option, the managed investment option may incur transactional and operational costs when assets are bought and sold, including brokerage, clearing and settlement costs, buy/sell spreads and applicable stamp duty. These costs, which are factored into the asset value of the managed investment option and reflected in the unit price, are recovered in part by the buy/sell spread charged on applications and withdrawals.

The managed investment option may also incur other transactional and operational costs through the day-to-day trading activity required to execute that option's investment strategy (and can include the cost of derivatives used for hedging purposes, if applicable). These costs, which are factored into the asset value of the managed investment option and reflected in the unit price, are an additional implicit cost to Members who have selected the managed investment option. These costs are not recovered through the buy/sell spread. Transactional and operational costs are not paid to us. The estimated net transactional and operational costs (that are not recovered through the buy/sell spread) are detailed in the Investment Guide for each managed investment option. These costs may vary from year to year.

Indirect cost ratio (ICR)

Indirect costs are any amounts that have reduced or will reduce (whether directly or indirectly) the return on a managed investment option, or reduce the amount or value of the income of or property attributable to an interposed vehicle in or through which the property attributable to a product or investment option is invested, and that are not charged as a fee.

This cost varies depending on the investment option(s) chosen. The ICR for each specific investment option is representative of the underlying costs of investments and running the managed investment option and is an estimate only. Actual costs may vary.

Warning: the indirect costs information included is based on information available (and if applicable, estimates) as at the date of issue of the PDS. You should refer to our website for any updates which are not materially adverse from time to time.

In the case of the Plan all indirect costs are included in the Administration fee.

Operational Risk Reserve

Under the Government's Stronger Super regime, every public offer superannuation fund is required to establish a reserve to cover operational risks. The reserve can only be used to cover risks arising from the day to day operations of the Fund. The Trustee has determined not to impose a specific levy but rather will guarantee from its own resources sufficient funds to meet the requirements of the Operational Risk Reserve.

Transfers within the Plan

Transfers between Personal Super and Personal Pension are processed without charge.

Government charges

Government fees and charges, such as contributions tax, may be applied to your account as appropriate.

Family law charges

From 28 December 2002, Tidswell has been subject to changes in family law legislation which allows for either the splitting or deferral of a member's account on separation or divorce. The legislation allows for reasonable fees to be charged by Tidswell for such requests. The fees applicable to the provision of these services will be assessed by Tidswell on a case by case basis.

Goods and Services Tax (GST)

Unless stated otherwise, the fees and costs disclosed in this PDS include the Goods and Services Tax (GST), which is, any GST at the applicable rate less any Reduced Input Tax Credit (RITC) and stamp duty if applicable. We do not reduce fees by any income tax deduction we (or an interposed vehicle) may be able to claim.

Insurance premiums

A fee is an insurance fee if:

- the fee relates directly to either or both of the following:
  - insurance premiums paid by the Trustee in relation to a member or members of the Fund; or
  - costs incurred by the Trustee in relation to the provision of insurance for a member or members of the Fund; and
- the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

The insurance fee is included in the premium deducted when insured benefits are selected for Death Only, Death and Total and Permanent Disablement (D&TPD) or Income Protection insurance, a premium is payable. Insurance premiums are dependent on the level and type of cover, a person's age, gender, occupation, state of health and smoking status.

The Trustee receives up to 10% of the Death Only, Death and TPD and Income Protection premiums to cover the cost of insurance administration.

Changing the fees

The Trustee may increase its administration fees each financial year by the Consumer Price Index (CPI) weighted average for all Australian capital cities with effect from 1 July each year. The CPI each year will represent the percentage change from the corresponding June quarter of the previous year for the weighted average of eight capital cities.

The Trustee will not increase member fees in excess of CPI without 30 days' prior written notification to you (other than Government fees and taxes).

Defined fees

Type of fee	Definition
Activity fee	A fee is an activity fee if: • the fee relates to costs incurred by the Trustee that are directly related to an activity of the Trustee: o that is engaged in at the request, or with the consent, of a member; or o that relates to a member and is required by law; and • those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.
Administration fee	An administration fee is a fee that relates to the administration or operation of the Fund and includes costs that relate to the administration or operation, other than: • borrowing costs; and • indirect costs that are not paid out of the Fund that the Trustee has elected in writing will be treated as indirect costs and not fees, incurred by the Trustee or in an interposed vehicle or derivative financial product; and • costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Advice fee	A fee is an advice fee if: • the fee relates directly to costs incurred by the Trustee because of the provision of financial product advice to a member by: o the Trustee; or o another person acting as an employee of, or under an arrangement with, the Trustee; and • those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.
Buy sell spread	A buy-sell spread is a fee to recover transaction costs incurred by the Trustee in relation to the sale and purchase of assets of the Fund.
Exit fee	An exit fee is a fee to recover the costs of disposing of all or part of members' interests in the Fund.
Indirect cost ratio	The indirect cost ratio (ICR), for an investment option offered by the Fund, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the Fund attributed to the investment option. Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.
Investment fee	An investment fee is a fee that relates to the investment of the assets of the Fund and includes: • fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and • costs that relate to the investment of assets of the entity, other than: o borrowing costs; and o indirect costs that are not paid out of the Fund that the Trustee has elected in writing will be treated as indirect costs and not fees incurred by the Trustee or in an interposed vehicle or derivative financial product; and o costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Switching fee	A switching fee is a fee to recover the costs of switching all or part of a member's interest in the Fund from one investment option in the Fund to another.

6. HOW SUPER IS TAXED

The information in this section provides a summary of the current tax treatment of super as at the date of this Member Guide. Taxation legislation and its interpretation is often complex and may be subject to change in the future.

Tax on contributions

Concessional contributions

From 1 July 2017 if your income is less than $250,000 pa concessional contributions are taxed in the Plan at the time of contribution at the concessional rate of 15%.

If your income is more than $250,000 pa the tax rate on concessional contributions increases from 15% to 30%.

Income is defined to include taxable income, concessional super contributions (both SG and salary sacrifice), adjusted fringe benefits, total net investment losses, some foreign income, tax-free social security pensions and benefits less child support. If the $250,000 income limit is exceeded due to concessional contributions, the 30% tax on contributions only applies to the contribution amount that exceeded the limit.

Concessional contributions made from 1 July 2013 that exceed the concessional cap will be automatically taxed at marginal rates with an interest penalty and there will be an option to refund an amount from the super fund.

The total amount of excessive concessional contributions is automatically added to assessable income (that is, there is no choice) and taxed at marginal rates. A 15% non-refundable tax offset is available to compensate for the contributions tax paid by the super fund. The tax offset is calculated as 15% of the excess concessional contributions.

Non-concessional contributions

No tax is paid on non-concessional contributions unless you exceed your non-concessional contributions cap.

From the 2017-18 financial year non concessional contributions above the relevant cap incur excess tax of 47%.

If you have exceeded the non-concessional contributions cap since 1 July 2013 you can withdraw the excess contributions from the superannuation fund. Withdrawn contributions will be returned to the member tax-free, while associated earnings will also be returned and taxed at the member's marginal tax rate.

Tax on withdrawals

Rollovers and transfers

There is no tax if you rollover or transfer money from one Australian super fund to another, unless the amount transferred contains an untaxed element (i.e. where super is rolled over from an untaxed super scheme).

Transfer of an untaxed element attracts 15% tax on the untaxed amount. A higher rate of tax also applies to transfers over $1.445 million from an untaxed scheme to a taxed scheme.

A transfer from an overseas super fund to an Australian fund is treated as a non-concessional contribution. No tax is payable on the contribution but the cap on non-concessional contributions applies. A tax liability may apply in respect of investment earnings which accrued in the overseas super fund when the benefit is paid from an overseas fund more than six months after the individual becomes an Australian resident. You should seek professional advice before making such a transfer from an overseas super fund.

Tax on investment earnings

Investment earnings within super are subject to tax at the concessional rate of 15%; however, the effective rate may be reduced by investment expenses, franking and foreign tax credits.

Super funds are liable for tax on capital gains realised on the disposal of assets. They are entitled to a ⅓ discount in calculating tax on realised capital gains if the asset was held for at least 12 months, giving an effective tax rate of 10% for realised capital gains.

These arrangements also apply to the earnings on assets supporting TTR pensions but investment earnings within other account based pensions, including realised capital gains, are tax exempt.

You may have to pay tax if you make lump sum withdrawals from your super. The tax paid will depend on your specific circumstances, including your age and the components that make up your super benefit. The tax treatment of the different super components when making a lump sum withdrawal is detailed in the table below:

Age	**Tax treatment (excluding Medicare levy)**		
	Tax-free component	**Taxable 'taxed' component**	**Taxable 'untaxed' component**
60 or over	Tax free	Tax free	• 15% up to the untaxed plan cap amount [6] • 45% on the balance
Between preservation age and 60	Tax free	• 0% up to the low rate cap amount [4] • Up to 15% on balance	• 15% up to the low rate cap amount [5] • 30% from the low rate cap amount [5] to the untaxed plan cap amount [5] • 45% on the balance
Under preservation age	Tax free	Tax free	• 30% up to untaxed plan cap amount [6] • 45% on the balance

Please note that the taxable component of benefit payments from the Plan usually consists of a taxed element only.

[4] $200,000 from 1 July 2017 indexed annually against the Consumer Price Index (CPI) on 1 July each year as measured by the Australian Bureau of Statistics

[5] $1,445,000 from 1 July 2017 indexed annually against the Consumer Price Index (CPI) on 1 July each year as measured by the Australian Bureau of Statistics

Tax on pension payments

Age 60 or over

Pension payments from a pension account are tax free if you are aged 60 or over.

Under age 60

Pension payments will only be taxable if you are under age 60 at the date the payment is made.

Your pension benefit will generally consist of two components - taxable and tax-free. You are required to draw down proportionately from these components which are set at the commencement of your pension.

Tax is not payable on the portion of the payment made from the tax-free component of your benefit. The amount that is paid from the taxable component of your benefit will form part of your assessable income and will be taxed at your marginal tax rate. If you have reached your preservation age, or are being paid a disability or death benefit income stream, you may be entitled to a 15% tax offset for this amount.

If you receive a payment while you were under age 60 at any time in the financial year, we will send you a PAYG Payment Summary at the end of each year, showing the income and the tax withheld under PAYG withholding requirements (if any) that you will need to include in your tax return.

Please note no withholding tax is payable at the time your super benefit is transferred to a pension.

Claiming a tax deduction

If you are an employed individual, any concessional contributions made by your employer, including salary sacrifice, will be counted as employer contributions and, as such, your employer is entitled to claim this amount as a tax deduction.

If you are under age 75 you are able to claim a tax deduction for personal super contributions. This is mostly relevant for people who are self-employed or cannot salary sacrifice.

If you are 65-74 years old at the end of the income year in which you made the contribution you will still need to satisfy the work test in order to claim a tax deduction. To satisfy the work test you must work at least 40 hours during a consecutive 30 day period in the income year.

People under 65 years of age who are not working (e.g. early retirees) may also be eligible to claim a tax deduction for concessional contributions made to the Plan as long as no employer super support is provided in the relevant financial year.

Salary sacrificing

Whether or not salary sacrificing will benefit you depends on your personal circumstances and income level.

Generally speaking, if your marginal tax rate is 32.5% or more, salary sacrificing can be a tax effective way to save for your retirement. The following table illustrates the upfront income tax savings that can be achieved when you salary sacrifice to super:

Marginal tax rate [6]	**Tax rate for salary sacrificing contributions** [6]	**Tax saving**[7]
19.0%	15%	4.0%
32.5%	15%	17.5%
37.0%	15%	22.0%
45.0% < $250,000	15%	30.0%
45.0% > $250,000	30%	15.0%

If you are happy to put money away towards your retirement salary sacrificing can make a lot of financial sense. Please speak to your financial adviser to find out whether salary sacrificing into super is the best option for you. The example on the next page is provided only to demonstrate how salary sacrificing works.

Low Income Super Tax Offset (LISTO)

From 1 July 2017, eligible individuals with an adjusted taxable income up to $37,000 will receive a LISTO contribution to their superannuation fund. It will be equal to 15% of their total concessional super contributions for an income year, capped at $500.

[6] Based on 2017/18 tax rates, excluding Medicare levy

[7] Tax rate applicable where concessional contributions do not exceed the cap

Meet John

John is 45 years old and earns $75,000 pa. His employer contributes $7,125 ($6,056 after tax) to John's super (i.e. 9.5% of $75,000). John is considering salary sacrificing $10,000 into super. The table below shows the difference between John taking the money as salary and salary sacrificing into super.

	John starts with a gross salary of $75,000	
	Scenario A John salary sacrifices $10,000 into super	Scenario B John takes the $10,000 as salary
Salary sacrifice contribution	$10,000	$0
Adjusted salary	$65,000	$75,000
Take home pay after income tax [8]	$51,028	$57,578
John's outcome	John has $51,028 in take home pay plus an extra $8,500 in super Note: Salary sacrifice contributions are subject to 15% contributions tax	John has $57,578 in take home pay
John's total financial benefit	$59,528	$57,578

As you can see, by John sacrificing $10,000 of his salary into super, his take home pay is reduced by $6,550, however, he is $1,950 better off overall.

Note: This example is for illustrative purposes only and is not a reliable indication of future performance. This does not constitute financial product advice and you should consult your financial adviser before making any investment decisions.

What are the limitations of salary sacrificing?

- Once you put money into super, it generally must remain there until you reach age 65 or your preservation age and you have permanently retired. This is referred to as being 'preserved'.
- Your employer may place a limit on the amount of salary that you can sacrifice to super.
- Your salary sacrifice contributions may count towards the 9.5% SG contributions that your employer is required to make. As a salary sacrifice contribution is an 'employer contribution', your salary sacrifice may reduce the SG amount your employer is required to make.
- It is not compulsory for an employer to offer salary sacrifice arrangements.
- Depending on your circumstances, there may be tax implications when you retire and access your super.

Other considerations

To ensure employees who have access to salary sacrifice arrangements are treated the same as those who do not, salary sacrifice contributions to super are included in the definition of 'income' for the purpose of determining eligibility for certain government payments. Payments that may be affected include Government co-contributions, income support for people below Age Pension age, family assistance, child support, and financial and retirement savings assistance delivered through the tax system.

Your employer may be required to report salary sacrifice contributions as reportable employer superannuation contributions.

8 Based on 2017/18 tax rates, including Medicare levy of 2%

Spouse contributions

From 1 July 2017 if your spouse earns $37,000 or less of income (assessable income plus reportable fringe benefits and reportable employer super contributions) you will be entitled to an 18% tax offset on up to $3,000 of contributions made to their super. The maximum tax offset is $540 and this amount reduces by $1 for every dollar of total income that exceeds $137,000, cutting out when total income reaches $40,000.

In order to be eligible for this tax offset your spouse's superannuation balance on 30 June of the previous year must be less than $1.6 million and they cannot exceed their non-concessional contributions cap for the relevant financial year.

Insurance

Premiums

The following table summarises the tax treatment of insurance premiums with regard to different insurance types.

Premiums – tax treatment	
Insurance type	**Tax deductibility of premiums**
Death	Generally tax deductible for the Plan
Total and Permanent Disablement	Generally tax deductible for the Plan
Income Protection	Generally tax deductible for the Plan

Benefit payments

The following table summarises the tax treatment of benefits payments with regard to different insurance types.

Benefit payments – tax treatment	
Insurance type	**Taxation of benefit payments**
Death	Generally tax free if paid to dependant(s).
Total and Permanent Disablement	Generally tax free if paid to a member who is over 60. Subject to certain requirements, part of the benefit paid to a member under age 60 may be tax free.
Income Protection	Income Protection benefits are generally fully assessable as income and taxable at the member's marginal tax rate.

Tax on death benefits

Paid as a lump sum

The following table details the tax rates that apply to a super death benefit paid as a lump sum:

Paid to	**Tax payable**
Dependant	Tax-free and taxable components are tax free
Non-dependant	Tax-free component is tax free Taxable component: • Taxed element - 15% (excl Medicare levy) • Untaxed element - 30% (excl Medicare levy)

For taxation purposes a dependant is defined as a spouse (including former spouse, de facto spouse and partner of the same sex), child under age 18, a person who is financially dependent or a person you have an interdependency relationship with.

An adult child (not dependent on you for financial support) is classified as a non-dependant.

Paid as a pension

The taxation applied to a super death benefit paid as a pension depends on the circumstances of you and your beneficiary.

If you or your beneficiary is aged 60 years or over, the pension payments will be completely tax free.

If you and your beneficiary are under 60 years of age at the time of your death, the pension will be taxed as follows:

- the tax-free component is tax free;
- the taxable component is assessable income but the beneficiary is entitled to a 15% tax offset on the taxable component; and
- when the beneficiary attains age 60, the income is tax free.

What if your super is paid to your estate?

A lump sum payment to your estate will be taxed depending on whether your dependants or non-dependants ultimately receive your benefit. Your legal personal representative is responsible for tax arrangements when your estate pays the benefit to your beneficiary(ies)

Providing your Tax File Number

Tidswell is authorised to collect your Tax File Number (TFN) under the Superannuation Industry (Supervision) Act 1993 (SIS).

You are not required to provide your TFN. However, if you do not provide your TFN, you will not be able to make personal contributions to your account, employer contributions will be taxed at the highest marginal tax rate (currently 47% including Medicare levy) compared to the concessional tax rate of 15%, a larger PAYG may be deducted when receiving your super benefits and it may be more difficult to find your super benefits if you change address without notifying us.

7. ADDITIONAL INFORMATION

The role of the Trustee

As Trustee of the Plan, we are responsible for the operation of the Plan and compliance with the Trust Deed and superannuation law. We are responsible for:

- the protection of members' rights and interests;
- the correct and timely payment of benefits;
- appropriate investment of the Plan's assets;
- ensuring the Plan is properly administered;
- arranging audit of the Plan;
- reporting to members; and
- lodgement of the Plan's tax return and APRA reporting.

The Trust Deed

The Plan is governed by a Trust Deed. Together with the Corporations Act and superannuation law, the Trust Deed sets out the rules and procedures under which the Plan operates, and our duties and obligations as the Trustee. If there is any inconsistency between the Trust Deed and the PDS, the terms of the Trust Deed override the disclosure in the PDS.

A copy of the Trust Deed is available from Tidswell on request.

Compliance

We operate a Compliance Plan to assist us in complying with the Trust Deed and the relevant laws. We are also required to have the Plan audited each year and to lodge an annual return with APRA.

Family law and superannuation

Government legislation allows married couples to make binding agreements or obtain court orders in respect of how each partner's super will be divided upon marriage breakdown. It also gives the Family Court a say in how a couple's super is divided upon marriage breakdown.

Splitting super entitlements with a spouse will affect the preservation components of a member's super and may have tax consequences. Members should seek professional advice as to the consequences of marriage breakdown on their super.

Under the Family Law Act, Tidswell is required to provide certain information about a member's super payout in the Plan to 'eligible persons' where the information is required to negotiate a superannuation agreement or to assist with a court order. For the purposes of the Family Law Act, an eligible person means a member, the spouse of a member or a person who intends to enter into a superannuation agreement with the member.

A member's super payout may need to be adjusted to reflect any agreements or court orders which may be binding on Tidswell. Members will be advised of any fee that applies when a request is made for actions to be taken under the Family Law Act in respect of their super payout.

Lost members

At times people lose track of their super and funds may lose contact with their members.

Tidswell will provide details of all lost members each half year to the Australian Taxation Office's Lost Members Register, which will endeavour to locate lost members and advise them of their super entitlement.

Tidswell will classify you as a lost member if two pieces of correspondence have been returned unclaimed or we cannot find an address for you or contact you in any way.

The Government requires super funds, including the Plan, to transfer lost and inactive super accounts to the Australian Taxation Office where:

- the lost account balance is under $6,000; or
- the account has been inactive for more than 12 months and Tidswell is unable to identify the member.

If you believe you may have lost contact with past super funds, you may check the Lost Members Register by contacting the Australian Taxation Office on 13 10 20.

There are circumstances where by law we may be required to pay your super benefit to the Australian Taxation Office as unclaimed money.

Super benefits are defined as unclaimed money if:

- you have reached your eligibility age (65 years old); and
- we have not received any contributions from you, or on your behalf, for at least two years; and
- we have not been able to contact you for at least 5 years after making reasonable efforts; or
- you have died; and
- after making reasonable efforts and after a reasonable period has passed, we are unable to ensure that your benefit is received by the person who is entitled to receive your benefit; or
- you are a lost member and;
- the balance of your account is less than $6,000 (small lost member account); or
- the account has been inactive for more than 12 months and Tidswell is satisfied that it will never be possible to pay an amount to you (insoluble lost member account).

You can enquire about unclaimed money by contacting the Australian Taxation Office on 13 10 20.

Anti-Money Laundering and Counter-Terrorism Financing legislation

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF) requires us to identify you and verify your identity before we can provide you with certain prescribed services.

Generally, the Trustee or your financial adviser will undertake these steps, but to enable them to do so you will need to provide certain documents (such as your passport or current driver's license) for sighting and verification.

The Personal Super and Personal Pension Application Forms provide a full list of the types of documents that will satisfy these requirements.

If you do not provide identifying documents we will not be able to process your application.

We may also request further information from you. You must provide all information to us, which we reasonably require in order to satisfy our AML/ CTF obligations.

We may disclose information to any law enforcement, regulatory agency or court, as required by applicable laws and regulations.

Privacy

The Trustee is required to notify you of certain matters relating to the collection and handling of your personal information by us. More details concerning our privacy practices and procedures are set out in our Privacy Policy document, a copy of which is available from Tidswell on request.

The purpose for which your personal information is collected is to:

- send you information that you request;
- issue you with your super interest (including assessing your application and identifying you);
- manage and administer your super interest in accordance with your instructions;
- deal with any inquiries or complaints you may have; and
- auditing and compliance purposes.

If we do not collect your personal information we may not be able to process your application or manage and administer the product or service.

We will generally only use or disclose your personal information for the purpose for which we collected it and for related purposes we consider will be within your reasonable expectations. Otherwise, we will seek your consent prior to using or disclosing your personal information for another purpose, unless we are required or permitted by law to do so without seeking your permission.

We may disclose your personal information to any individuals or organisations to whom you authorise disclosure.

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