GPO Box 4303
Melbourne VIC 3001
Telephone 1800 023 928
oursuperfund.com.au

Group Super merger with Australian Retirement Trust

Commonwealth Bank Group Super ("Group Super") and Australian Retirement Trust are now well advanced with the planned merger which was announced in February 2023. The merger is subject to finalising an agreement with Australian Retirement Trust and to the agreement becoming unconditional. We will notify you if and when any agreement becomes unconditional.

We wish to let you know that the merger is planned to occur in two phases. Phase one of the merger is planned to occur on 4 November 2023 and involves the transfer of those members with entitlements in Accumulate Plus or Retirement Access, and those members with Defined Benefit entitlements, except for members with Defined Benefit lifetime pensions that commenced or commence on or before 18 October 2023.

As for members currently receiving a Defined Benefit lifetime pension, such as yourself, we anticipate that phase two of the merger will occur during the first half of 2024.

What does this mean for my Lifetime pension?

Your lifetime pension and how it is indexed will remain unchanged and your regular pension payments will continue to be paid to your nominated bank account by Group Super.

A limited services period will apply from 18 October until 6 November 2023

The complex process of transferring the large majority of members' entitlements as part of phase one of the merger will take a number of weeks to complete. This means there will be a period during which normal member services will be suspended.

For members receiving a Defined Benefit lifetime pension, the limited services period will commence on Wednesday **18 October 2023** and continue until Monday 6 November 2023.

If you wish to change either your financial institution details and/or pension payments details we would ask you to complete these changes before 3:00pm 18 October 2023. Please note your pension payments will not be affected by the limited services period.

The Commonwealth Guarantee

We are pleased to confirm that the *Commonwealth Banks Act 1959* has been now amended following the passage of the *Treasury Laws Amendment (2023 Measures No.2) Act 2023*. This means Defined Benefit members of Divisions B, C, D and E who were members of the fund immediately prior to 19 July 1996, will continue to be eligible for the Commonwealth Guarantee following the transfer to Australian Retirement Trust.

Unless you were a member of the fund prior to 19 July 1996, you are not covered by the Commonwealth Guarantee. For instance, members of the Colonial Group Staff Superannuation Scheme (CGSSS) were transferred into the fund on 3 October 2003. As these members were not part of the fund on 19 July 1996, they are not covered by the Commonwealth Guarantee.

We are here to help

If you have a question about your lifetime pension, you can call us on 1800 023 928 between 8:00am and 7:00pm (AEST/AEDT) Monday to Friday.

Division CF Deferred Retirement Pension

Contents

Product Disclosure Statement (PDS)

Preparation date:

11 November 2021

Issued by:

Commonwealth Bank Officers Superannuation Corporation Pty Limited (ABN 76 074 519 798, RSEL L0003087, AFSL 246418), trustee of Commonwealth Bank Group Super (ABN 24 248 426 878, RSER R1056877).

CommonwealthBank GroupSuper

Introduction

About our fund

Commonwealth Bank Group Super is one of the largest corporate super funds in Australia, with origins back to 1916. We look after more than $12 billion of retirement savings on behalf of 72,000 people.

Our members and pensioners are exclusively current Commonwealth Bank Group employees and former employees who chose to stay with us after leaving employment with the Group, and their spouses .

Visit our website oursuperfund.com.au to find out more about us, or visit oursuperfund.com.au/fundinfo for other required information about the fund, e.g. executive remuneration.

If you need to contact us

If you have any questions about this PDS or your Division CF super, please contact us:

Phone	1800 135 970 between 8am and 7pm (AEST), Monday to Friday
Email	via our online form at oursuperfund.com.au/contact-us
Post	GPO Box 4303, Melbourne VIC 3001
Web	oursuperfund.com.au

Important information about this PDS

This PDS is a summary of key information about a deferred retirement pension issued by the trustee as an interest under Division CF of the fund's trust deed.

The PDS applies if you're a deferred member of Division CF because you left employment with the Group or exercised super choice before turning age 55 and left your benefits in Division CF, and you're considering beginning a deferred retirement pension. For the purposes of this PDS, a ***'deferred retirement pension'*** means the pension payable to a Division CF deferred member who chooses to take all or part of their deferred benefits as a pension from age 60, or as a reduced pension from age 55.

This PDS does **not** apply if you leave employment with the Group or exercise super choice at or after age 55, in which case different benefits and rules apply. For more information, you should refer to the *Member Booklet for Division CF*, which is available from our website, oursuperfund.com.au/memberbooklets or by calling us on 1800 135 970.

Your rights and benefits in Division CF are determined in accordance with the *Superannuation Act 1916* (as in force at 4 August 1994), as well as the fund's trust deed and rules. If there are any differences between what is written in this PDS and what is written in the Act or trust deed and rules, the Act or trust deed and rules will prevail.

Changes to product information or fund rules may occur from time to time, and may occur without prior notice to you. If changes adversely affect you, we'll notify you as required by law. If changes aren't materially adverse, we may issue an Update Notice before or after the change instead of updating the PDS. You should check for the most recent PDS or Update Notices, which are available free of charge from oursuperfund.com.au/pds or call us for a copy.

The information in this PDS is general information only and doesn't take into account your individual objectives, financial situation or needs. You should consider the information and how appropriate it is to your objectives, financial situation and needs, before making a decision about this deferred retirement pension. You should seek professional advice tailored to your personal circumstances from an authorised financial adviser.

Taxation considerations are general and based on present tax laws and may be subject to change. You should seek independent, professional tax advice before making any decision based on this information. The trustee is also not a registered tax (financial) adviser under the *Tax Agent Services Act 2009*. 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 obligations or claim entitlements that arise, or could arise, under a taxation law.

Division CF deferred retirement benefits

You're generally a member of our defined benefit Division CF if you were previously employed by the State Bank of New South Wales and a member of the State Superannuation Fund, and subsequently the Colonial Group Staff Superannuation Scheme (Division F) when it merged into our fund in 2003.

Eligibility for deferred benefits

If you leave employment with the Group or exercise super choice before age 55, you can choose to leave (or defer) your benefits in Division CF. As a deferred member, you're entitled to a benefit in the following circumstances:

- A **deferred retirement pension** is payable at any time from age 60 once you elect to begin it, or you can choose to begin a reduced pension from age 55. You can choose to convert all or part of your deferred retirement pension into a lump sum within some limited timeframes – this is known as commutation. The deferred retirement pension and commutation options are outlined in this PDS.
- A **lump sum withdrawal benefit** is payable if you withdraw your deferred benefits from Division CF at any time before turning age 55. This benefit is equal to the lump sum that would have been payable to you at the time you left employment or exercised super choice, adjusted for earnings at the fund's declared rate. This withdrawal lump sum is not the same as a commuted retirement pension entitlement – it's calculated differently and is generally lower than the value of the deferred retirement pension. For more information on the lump sum withdrawal benefit, refer to your *Member Booklet* or contact us.
- An **invalidity retirement pension** is payable if we accept a claim for total disablement. This benefit is generally equal to the value of your deferred retirement pension at the time a claim is considered and is only payable while you remain totally disabled. For more information on invalidity benefits, read your *Member Booklet* or contact us.
- A **reversionary pension** may be payable to your spouse in the event of your death while you're a deferred member. For more information on benefits in the event of death, read your *Member Booklet* or contact us.

About the deferred retirement pension

You can choose when to start your pension

You can choose to start your Division CF deferred retirement pension at any time at or after you turn age 60. Alternatively, you may choose to start a reduced early retirement pension at any time after turning 55.

Early retirement and preservation age

If you're considering early retirement between ages 55 and 60 and you were born on or after 1 July 1960, your super preservation age may be higher than the age at which you elect to begin the Division CF early retirement benefit.

Even though you can elect to begin your pension at any age from age 55, super law requires us to withhold your pension payments until the date you reach your preservation age or meet another condition of release allowed by law.

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

At the date of release, you'll receive a one-off pension payment equal to the total pension amounts that have been withheld, adjusted for earnings at the fund's declared rate. The full amount of this one-off payment may be subject to tax at the date of payment.

From the date of release onwards, your regular pension payments are paid directly to you in cash each fortnight.

Any lump sum benefit you choose to receive must be preserved within the super system until you meet a condition of release.

How to choose the pension

If you decide that a Division CF deferred retirement pension is right for you, you should indicate your choice of either the full pension option or a part pension option in the relevant section of the *Payment Instructions – Division CF* form that's provided to you upon request.

Your pension payments begin on the fund's first fortnightly pay date after we receive and can reasonably process your payment instructions.

Once you choose a deferred retirement pension option, you can't generally change your mind in the future unless cooling-off rights apply to you and you revert to a deferred benefit (page 4), or unless you apply within the prescribed timeframes to commute your pension to a lump sum (page 8).

If you withdraw your deferred benefits or choose to receive payment of all or part of your deferred retirement pension as a commuted lump sum, and give us written payment or transfer instructions for the lump sum, then you're no longer entitled to a pension in regards to that portion of your benefit.

Your pension does not begin automatically

Although your deferred retirement pension is calculated based on starting at age 60, your pension payments don't automatically start at that date. You must apply to begin receiving the pension, which you can do by indicating your election of either the full pension option or a part pension option in the relevant section of the *Payment Instructions – Division CF* form.

If you begin your pension after age 60, the starting pension amount is the same as it would have been at age 60.

A cooling-off period may apply

A 14-day cooling-off period applies if you decide to cancel your election to begin your deferred retirement pension.

The cooling-off period only applies if you decide not to begin your deferred retirement pension at all and revert to deferred member status. If you want to commute some or all of your pension entitlement to a lump sum, the normal commutation rules and windows apply (see following section).

The cooling-off period begins on the earlier of (i) five days after we acknowledge your pension election, or (ii) the date we make your first pension payment.

To exercise your cooling-off rights, you must advise us in writing (page 2) within the cooling-off period. If you exercise these rights, your benefits revert to deferred status as if you had never made the deferred retirement pension election.

You can convert your pension to a lump sum in limited circumstances

Once you choose to begin your deferred retirement pension, you have one opportunity to commute some or all of your pension entitlement to a lump sum, which you must do within certain prescribed timeframes.

More information on commutation, including when you can make a commutation request and how the pension is converted to a lump sum, is provided on page 8.

Once you choose to commute all or part of your pension, you can't change your mind and revert to a pension with respect to that amount at a later date.

> **Important!** Even if you choose to commute your pension, your spouse and/or child's entitlement to a reversionary benefit in the event of your death is not affected. An eligible beneficiary is still entitled to a reversionary pension benefit in the event of your death whether you choose to commute your pension or not (page 11).

Your pension entitlements

Calculating your initial pension amount

Your deferred retirement pension entitlement is calculated at the date you leave employment with the Group or exercise super choice. It consists of two parts, both based on the pension that would otherwise have been payable to you if you had continued employment with the Group until age 60, adjusted to reflect your shorter period of contributions and employee membership at the date your benefits became deferred.

Part A	**The employee-contributed component** of your pension is calculated as up to $2.20 of fortnightly pension for each unit. This component remains fixed while you're a deferred member before your pension begins.
Part B	**The employer-financed component** of your pension is calculated as up to $3.30 of fortnightly pension for each unit. This component is indexed in October each year while you're a deferred member. Indexation is based on movements in CPI (All Groups Index for Sydney) for the year ended 30 June of the previous year – read your *Member Booklet* for more on indexation of deferred benefits.

Your fortnightly pension is paid to your nominated bank account.

If it applies to you, any outstanding contributions tax and/or surcharge debt is deducted when your deferred retirement benefit is paid as a pension or lump sum.

Calculating the reduced early retirement pension amount before age 60

If you begin an early retirement pension between ages 55 and 59, Parts A and B of your pension are paid at a reduced rate, based on the following factors:

Age when pension commences	Employee-contributed component (Part A)	Employer-financed component (Part B)
55	65%	80%
56	72%	84%
57	79%	88%
58	86%	92%
59	93%	96%

If your pension commences on a date other than your birthday, your starting pension is adjusted accordingly between the factors shown for each full year above. For example, if your pension commences at age 57½, your pension is paid at a reduced rate half-way between the factors for ages 57 and 58, i.e. you would receive 82.5% of the employee-contributed pension amount and 90% for the employer-financed pension amount.

Your pension amount is indexed each year

Your pension entitlement increases on 1 October each year in line with movements in inflation, as measured by the Consumer Price Index (CPI) index. The CPI index used for Division CF retirement pensions is the *All Groups CPI Index Numbers: Sydney Index* figures published for June each year.

In the first year, your pension is indexed on 1 October using a pro rata CPI amount (see following section).

If CPI movement for any period is less than 1%, your pension amount is **not** indexed that year. However, indexation for the following year is based on the change in CPI from the year in which indexation was last applied.

If CPI movement is negative for any period, ordinarily pensions would be reduced accordingly. However, we have agreed with the Commonwealth Bank and the fund's actuary that pensions won't be reduced in these circumstances and will remain the same as the previous year. Any future indexation, when CPI movement is positive, is calculated based on the change in CPI from the last period in which indexation applied, rather than from the figure that represented the negative rate.

How indexation applies in the first year

For the year in which your pension begins, and in some cases the first two years of your pension, indexation occurs in two ways:

- Pro rata indexation applies to the employer-financed component (Part B) of your pension, for the period when your benefits were still deferred before your pension began, **and**
- Pro rata indexation applies to your full pension amount (Parts A and B) for the period after your pension began.

For subsequent years, the full indexation rate applies to your full pension amount.

The table below shows how pro rata indexation is applied to your deferred employer component (Part B) and full pension amount in your first year. These examples are based on indexation applied on 1 October 2021, therefore references to 'last financial year' refer to 2020–21 and references to 'current financial year' refer to 2021–22.

If your pension commenced during this period…	Indexation applied at 1 October on…		Example for indexation applied at 1 October 2021
	Deferred employer component (Part B)	Full pension amount	
Prior to 1 Jul of the last financial year (i.e. pension for all of last financial year)	No indexation	Full indexation	Pensions commenced before 1 Jul 2020 receive: • From 1 Oct 2021 onwards: full indexation on full pension
1 Jul to 30 Sep of the last financial year (i.e. deferred for ¼ of financial year and pension for ¾ of financial year)	¼ indexation	¾ indexation	Pensions commenced 1 Jul 2020 to 30 Sep 2020 receive: • At 1 Oct 2021: ¼ indexation on employer component and ¾ indexation on full pension • From 1 Oct 2022 onwards: full indexation on full pension
1 Oct to 31 Dec of the last financial year (i.e. deferred for ½ of financial year and pension for ½ of financial year)	½ indexation	½ indexation	Pensions commenced 1 Oct 2020 to 31 Dec 2020 receive: • At 1 Oct 2021: ½ indexation on employer component and ½ indexation on full pension • From 1 Oct 2022 onwards: full indexation on full pension
1 Jan to 31 Mar of the last financial year(i.e. deferred for ¾ of financial year and pension for ¼ of financial year)	¾ indexation	¼ indexation	Pensions commenced 1 Jan 2021 to 31 Mar 2021 receive: • At 1 Oct 2021: ¾ indexation on employer component and ¼ indexation on full pension • From 1 Oct 2022 onwards: full indexation on full pension
1 Apr to 30 Jun of the last financial year (i.e. deferred for full financial year)	Full indexation	No indexation	Pensions commenced 1 Apr 2021 to 30 Jun 2021 receive: • At 1 Oct 2021: full indexation on employer component and no indexation on full pension • From 1 Oct 2022 onwards: full indexation on full pension
1 Jul to 30 Sep of the current financial year	Full indexation	No indexation	Pensions commenced 1 Jul 2021 to 30 Sep 2021 receive: • At 1 Oct 2021: full indexation on employer component and no indexation on full pension • At 1 Oct 2022: ¼ indexation on employer component and ¾ indexation on full pension • From 1 Oct 2023 onwards: full indexation on full pension

For more information and examples on how indexation works, read our *Defined Benefit pension indexation for Division CF* fact sheet, available from our website oursuperfund.com.au/factsheets.

Pension entitlements count to a transfer balance cap

A Division CF deferred retirement pension entitlement is subject to the transfer balance cap, which is the total amount that you can transfer into and hold within retirement-phase income streams.

The products that count towards this cap include any defined benefit or lifetime pensions, including reversionary pensions, retirement account-based pensions (e.g. a Retirement Access account in our fund), retirement income streams, and other products used to support tax-free retirement income streams. Transition to retirement income stream (TRIS) balances aren't included in this cap until the account holder meets a further condition of release that triggers the TRIS to be converted to the rules of an account-based pension, e.g. turning age 65.

The transfer balance cap applies to any existing retirement-phase products you hold, as well as any new products you may begin in the future, and applies across all products you hold, regardless of the fund or provider.

> **Warning!** It's your responsibility to ensure that you don't exceed the cap if you want to avoid paying extra tax. This is particularly important if you're planning to begin, or you become entitled to, any new pension.
>
> These rules are complex, particularly if you have both a defined benefit pension and another retirement-phase pension(s). You should talk to an authorised financial adviser about your individual circumstances.

Calculating your personal transfer balance cap

From 1 July 2021, the general transfer balance cap was indexed from $1.6 million to $1.7 million.

If you start your first eligible retirement-phase pension on or after 1 July 2021, your personal transfer balance cap is the full $1.7 million indexed amount.

However, if you already held one or more retirement-phase pensions as at 30 June 2021, your personal transfer balance cap is between $1.6 and $1.7 million, depending on your highest ever transfer balance (not what your transfer balance is immediately prior to 1 July 2021). If you had a transfer balance before 1 July 2021, you can check your personal transfer balance cap in the Australian Taxation Office (ATO) online services through www.my.gov.au.

The ATO calculates your personal transfer balance using reports it receives from all pension and annuity providers, like your super fund. Your personal transfer balance is generally calculated or re-calculated on:

- 1 July 2017 if you were already receiving a retirement-phase income stream as at 30 June 2017, and/or
- the day you begin any new retirement-phase product that counts towards the cap on or after 1 July 2017, and/or
- if applicable to you, the day any transition to retirement income steam account is converted automatically or voluntarily to the rules of an account-based pension on or after 1 July 2017.

Your transfer balance is **not** re-calculated based on annual indexation or changes to your annual pension amount after it commences or as a result of receiving pension payments. However, it may be reduced by any family law payments or lump sum commutations (withdrawals) if applicable to your product – this may mean you can transfer additional amounts into the retirement pension phase.

You can transfer super into retirement-phase income streams more than once, as long as you have availability within your cap. Keep in mind that the rules for income streams generally don't allow you to add money once an account is opened or the income stream begins, so you may need to open a new product.

Valuing your retirement pension for the purposes of the cap

This information addresses the transfer balance cap as it applies to a Division CF deferred retirement pension from our fund. If you have a defined benefit pension or other type of retirement-phase pension with another fund or provider, you should check with them for details as not all interests are treated in the same way.

For the purpose of this cap, the value of your Division CF deferred retirement pension is calculated as your first regular pension entitlement payment multiplied by 26 fortnights, then multiplied by 16. As a guide, an annual pension entitlement of around $106,000 or more is generally equal to or above the cap.

If your Division CF deferred retirement pension valuation exceeds the cap and it's your only eligible pension, you **won't** be considered to have an excess amount. In this case, you won't be required to commute or reduce your pension, although tax may apply to your pension payments regardless of your age (page 12).

If you have a Division CF deferred retirement pension plus any other retirement product that counts towards the cap and your transfer balance is over your personal transfer balance cap, you **will** have an excess amount. To reduce your transfer balance, you need to withdraw the excess amount from your other (non-Division CF) retirement pension as a cash lump sum commutation, or transfer it back into a super account. If your Division CF deferred retirement pension valuation exceeds the cap on its own, then you're required to commute the full amount of your other retirement pension. Keep in mind that receiving pension payments doesn't reduce your transfer balance for the purposes of this cap.

The following table provides some examples of how pension valuations count towards the transfer balance cap, assuming pension begins on or after 1 July 2021. All figures rounded to nearest whole dollars.

	Division CF annual pension (A)	Estimated value of pension counted towards cap (B) (=Ax16)	Value of 'other' products counted in cap (C)	Effect
Example 1	$70,000	$1,120,000	$0	Total transfer balance (B+C) is below cap so no effect.
Example 2	$70,000	$1,120,000	$750,000	Total transfer balance (B+C) exceeds cap so $170,000 must be withdrawn from 'other' product(s).
Example 3	$110,000	$1,760,000	$0	Division CF pension valuation (B) exceeds the cap but no 'other' products held (C), so no requirement to commute excess amount, although tax may apply to your pension payments (page 12).
Example 4	$110,000	$1,760,000	$300,000	Division CF pension valuation (B) exceeds the cap so full balance must be withdrawn from 'other' products (C); in addition, tax may apply to your pension payments (page 12).

Commuting the pension to a lump sum

Important: The rules and entitlements in this section apply only where you elect to commute some or all of your Division CF deferred retirement pension entitlement into a lump sum. The commuted lump sum is not the same as the withdrawal lump sum that is payable if you elect to withdraw your deferred benefits from Division CF at any time before electing the pension.

Limited window in which to convert your pension to a lump sum

Once you begin your deferred retirement pension, you have a limited opportunity to apply to commute some or all of your pension entitlement to a lump sum. Depending on when you begin your deferred pension, you must make any application to commute within the following prescribed timeframes:

- **If you elect to begin your deferred pension at or after age 60**, you have a six-month window beginning from the date of your election in which you can choose to commute. Once this window expires, you have no further opportunities to commute your pension to a lump sum.
- **If you elect to begin your deferred pension before age 60**, you have two limited windows in which you can apply to commute, but you can only apply during one of these windows. Once the second of these windows expires, you have no further opportunities to commute your pension to a lump sum:
  - i) You have a six-month window beginning from the date of your original election to begin your pension in which you can choose to commute. If you apply to commute during this period, you have no further options to commute, even if you only partially commute your pension at this time.
  - ii) If you don't commute during (i) above, you have a further 12-month window in which you can choose to commute, beginning six months before your 60th birthday and ending six months after your 60th birthday.

If you choose to commute all or part of your pension during an applicable window, or once the applicable windows expire, you can't make any further application to commute. Once commuted, you can't change your mind and revert to a pension in Division CF with respect to the commuted amount.

Remember that if you commute your pension but haven't yet met a condition of release allowed by super law, e.g. if you haven't permanently retired, your lump sum benefit can't be paid to you in cash. You can transfer the lump sum to an Accumulate Plus super account or Retirement Access pension account in our fund or transfer it to another super fund or product.

Calculating the commutation lump sum amount

The commuted lump sum value of your Division CF deferred retirement pension entitlement is calculated using the factors shown in the following table. Factors may be pro-rated based on your age in years and days at the actual date you commute.

Age at which commutation occurs	Factor for each $1 of fortnightly pension to be commuted
55th birthday	285
56th birthday	278
57th birthday	271
58th birthday	264
59th birthday	257
60th birthday or later	250

Example: Your Division CF pension entitlement is $800 per fortnight. If you commute your full pension entitlement on your 57th birthday, your commuted lump sum amount is $216,800, calculated as [$800 x 271]. If you choose to commute 25% of your pension entitlement, your lump sum amount would be $54,200, calculated as [(25% x $800) x 271].

Entitlement to a reversionary pension remains even if you commute

If you commute all or part of your Division CF deferred retirement pension, your spouse's entitlement to a reversionary benefit in the event of your death is **not** affected – they are still entitled to a reversionary pension whether you commute your pension or not.

Your spouse also has the right to commute any reversionary pension entitlement to a lump sum. Any pension payable in respect of an eligible child can't be commuted.

Read page 10 for more information about reversionary benefits payable in the event of your death.

Important note about commutation of pension versus withdrawal lump sum benefit

In considering whether a reversionary pension is payable, it's important to understand the difference between types of lump sum benefits that may be payable from Division CF.

At any time while you remain a deferred member of Division CF before beginning your pension, you can choose to forgo your entitlement to the deferred retirement pension and withdraw your deferred benefits as a lump sum. This **withdrawal lump sum** benefit entitlement is calculated as the amount that would have originally been payable to you when you left employment or exercised choice of super fund, adjusted for earnings at the fund's crediting rate.

This withdrawal lump sum benefit entitlement is not the same as commuting a pension benefit to a lump sum. Entitlement to a reversionary pension only applies where you have elected to commute a pension entitlement. If you elect the withdrawal lump sum benefit, your spouse is **not** entitled to the reversionary pension noted above, and no further benefit is payable from Division CF in the event of your death.

Benefits payable after your death

A reversionary pension is payable to your spouse

In the event of your death after beginning a Division CF deferred retirement pension, or where you commute all or part of your deferred pension entitlement, a reversionary pension is payable to your spouse for life. A child pension may also be payable in respect of any eligible child.

It's important to be aware that your spouse or child's entitlement to a reversionary or child pension still applies even if you choose to commute all or part of your pension entitlement.

You can't nominate a specific beneficiary for a reversionary pension in Division CF. The people considered to be your 'spouse' or 'child' for these entitlements are defined in the rules. In particular, you should note that the definition of 'spouse' doesn't include a person who becomes your spouse **after** you become entitled to receive a pension.

Depending on your situation, there may be more than one person who meets the definition of a spouse. For example, if you're separated but not divorced from your legal spouse and began a de facto relationship **before** becoming entitled to receive a pension. In this case, the reversionary pension entitlement may be split between eligible spouses in proportions determined by the trustee.

A reversionary pension entitlement generally counts towards your spouse's transfer balance cap once it begins (page 7).

Who can receive a reversionary benefit

The following definitions apply for Division CF.

'Spouse' means someone who, at the time you became entitled to a deferred retirement pension **and** at the time of your death, is:

- a person who was legally married to you, or
- a person of the same or opposite sex with whom you were in a relationship registered under a prescribed state or territory relationships register, or
- a person of the same or opposite sex who, although not legally married to you, lived with you on a genuine domestic basis in a relationship as a couple, e.g. de facto relationship;

If a person became your spouse under one of these definitions after you became entitled to your deferred retirement pension, they are **not** eligible for a reversionary benefit in Division CF.

'Child' means someone who is under age 18, or someone who is under age 25 and in full-time education at a school, college or university approved by the trustee, who was:

- your natural, adopted or ex-nuptial child or your step-child
- the natural, adopted or ex-nuptial child of your 'spouse' (as defined above)
- a child born to you or your 'spouse' through artificial conception or surrogacy.

Proof of eligibility

At the time of considering a reversionary pension, we ask the executor or administrator of your estate to provide proof of any relationships to confirm that someone qualifies as your spouse or child under the definitions above.

For a spouse, this is generally a certified copy of your marriage certificate. For a de facto relationship, we seek confirmation that a genuine domestic relationship existed at the date you became entitled to receive a deferred retirement pension, and that the relationship continued up until the time of your death, including objective evidence of that relationship such as bills or property held in joint names, provision for that person in your Will, etc. If a de facto situation may apply to you, we strongly encourage you to advise us of the relationship before your death, including the date the relationship began. Likewise, if the relationship ends, you should also let us know. Although we still confirm the relationship in the event of your death, any notification you've provided to us in advance can be helpful.

Verifying the identity of your beneficiaries

We're required to comply with anti-money laundering and counter-terrorism financing laws, including the need to establish the identity of anyone else associated with your super, e.g. beneficiaries in the case of payment of a death benefit.

We need to verify the identity of any beneficiary before we begin paying a reversionary pension or child pension. At the time a benefit is payable, we may ask your beneficiaries to provide identification such as a certified copy of their driver's licence, passport or birth certificate, unless they've provided this information to us previously.

From time to time, we may also require additional information to assist with this process. We may be required to report information about you or your beneficiaries to the relevant authorities. We may not be able to tell you or your beneficiaries when this occurs.

We may not be able to transact with you, your beneficiaries or other people. This may include delaying, blocking, freezing or refusing to process a transaction or ceasing to provide you or your beneficiaries with a product or a service. This may affect your investment and could result in a loss of income and principal invested.

How a reversionary pension is paid

If you have...	The following benefits are payable
One or more eligible spouses	If you have one eligible spouse, they receive two-thirds of your pension entitlement. If you have more than one eligible spouse, we may split your pension entitlement between spouses – the percentage that each receives is at our discretion, depending on the individual circumstances. Each eligible spouse's pension is two-thirds of their allocated portion of your pension entitlement. A spouse who's entitled to a reversionary pension may choose to commute all or part of their pension entitlement to a lump sum within a limited six-month window beginning from the date of your death. If your spouse chooses to commute, they can't change their mind and later revert to a pension in Division CF with respect to the commuted amount. **Important!** If you commuted any part of your deferred retirement pension entitlement before your death, your spouse remains entitled to two-thirds of the full pension entitlement (including indexation) that you would have been receiving at the date of death had you not commuted.
One or more eligible children	A fortnightly pension is payable for each eligible child. This pension payment rate depends on your relationship with the child's other parent at the time of your death: • If the child's other parent is your eligible spouse and still alive, the lower pension rate of $136.22[1] per fortnight is payable. • If the child's other parent is deceased, divorced from you, or is not your eligible spouse, the higher pension rate of $323.55[1] per fortnight is payable. The lower pension rate may be increased to the higher rate in the event of the other parent's death.
No surviving spouse or eligible children	If you don't have an eligible spouse or any eligible children at the time of your death, no further benefit is payable from Division CF after your death.

1 This is the child pension rate as at 1 October 2021; it may be subject to change in the future.

How benefits are taxed

Important! There are tax implications associated with superannuation and pensions. Taxation laws are complex and different rules may apply depending on your individual circumstances. The information in this PDS is an overview of some of the tax implications as at the date this booklet was prepared, for general information only, but changes may occur in the future.

You should seek independent, professional tax advice before making any decisions based on this information. The trustee is also not a registered tax (financial) adviser under the *Tax Agent Services Act 2009*. 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 obligations or claim entitlements that arise, or could arise, under a taxation law.

Contribution tax

The trustee is required to pay tax on employer contributions for any benefits accrued since 1 July 1988. A Division CF deferred retirement pension may be reduced to allow for the 15% tax payable on the employer's contribution component. Pension amounts provided or quoted to you in a periodic or exit statement or another document are generally the amounts payable after the tax has been applied.

Importance of providing your tax file number (TFN)

Under the *Superannuation Industry (Supervision) Act 1993*, we are authorised to collect, use and disclose your TFN. We may disclose your TFN to another super provider when your benefits are being transferred, unless you request to us in writing that your TFN not be disclosed by us to any other super provider.

Declining to quote your TFN to us is not an offence. However, giving your TFN to us will have the following advantages:

- 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.
- 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.

The legal purposes for using a TFN may change in the future. If laws change, the consequences of not providing the TFN may also change.

Tax on pension payments

Tax may be payable on your Division C retirement pension payments as follows.

Age	Tax applying to Division C retirement pension payments
Age 60 or over	• No tax is payable on your annual pension payments up to the defined benefit income cap (see following section), which is $106,250 from 1 July 2021. • Pay As You Go (PAYG) withholding[2] tax is payable on 50% of any excess amount of your pension above the defined benefit income cap. This portion may be entitled to a reduced superannuation pension tax offset.
Under age 60	• No tax is payable on the tax-free component of your pension payments. • PAYG withholding[2] tax is payable on the taxable component of your pension payments. • If you've reached your preservation age but haven't yet turned age 60, or if your pension qualifies as either a disability or death benefit (reversionary) pension, you're entitled to a tax offset of 15% of your assessable pension income, which is your annual pension payment amount less your tax-free pension amount.

Defined benefit income cap

The defined benefit income cap is equal to the general transfer balance cap divided by 16. From 1 July 2021, this cap is $106,250 (i.e. $1.7 million divided by 16). This cap increases periodically in line with indexation of the general transfer balance cap.

The cap amount is generally pro-rated in your first year of receiving a pension and/or the year in which you turn age 60, or if you receive a death benefit (reversionary) pension and are under 60.

2 We deduct PAYG withholding tax at the time of payment. The amount of tax that we must withhold and remit to the ATO depends on your age, the amount of your pension payment, and whether you have provided your TFN to us.

Tax on lump sum benefits

Tax may also be payable on any lump sum benefit you choose to receive as part of your deferred retirement benefit. We deduct any applicable tax on the lump sum and remit it to the ATO.

Age	Tax applying to lump sum benefits
Age 60 or over	• All lump sum super benefits are tax-free.
From preservation age to age 59 (inclusive)	• No tax is payable on the tax-free component or on the amount of the taxable component up to low rate threshold[3], which is $225,000 for 2021–22. • The amount of the taxable component over the low rate threshold is taxed at 17%.
Under preservation age	• No tax is payable on the tax-free component. • The whole taxable component is taxed at 22%.

All tax rates include 2% Medicare levy and assume you've provided us with a valid TFN. If your marginal tax rate is lower than the applicable tax rate in the table above, you may be entitled to a tax rebate.

Tax on death benefits

Death benefits paid as a pension

If a death benefit is paid as a reversionary pension to your spouse, the pension payments are generally tax-free, except in the following circumstances:

- If you're under age 60 at the time of your death and your spouse is under age 60 when receiving the pension payment, the taxable component of the pension payment is subject to PAYG withholding[2] tax. The taxable (assessable) component is also included in your spouse's individual tax return to be assessed against their marginal tax rate.
- Regardless of your spouse's age, if their annual pension entitlement is equal to or higher than the defined benefit income cap (page 12), 50% of the excess amount above the cap is subject to PAYG withholding[2] tax.

Your spouse is also entitled to a 15% superannuation pension tax offset so the amount of tax withheld is reduced. However, any excess amount above the defined benefit income cap may not be eligible for a tax offset.

A reversionary pension entitlement generally counts towards your spouse's transfer balance cap once it begins (page 7).

For income tax purposes, any children's pension payable from Division CF is generally considered as income of the child and separate to a spouse pension.

The children's pension has no tax-free component and PAYG withholding[2] tax rates may apply, depending on factors such as your age at the time of your death, whether the child has a tax file number that has been provided to us, and whether the child is claiming the tax-free threshold.

A reversionary child pension entitlement is subject to specific and complex rules in relation to the transfer balance cap. We recommend seeking advice on the implications of these pensions.

Death benefits paid as a lump sum

The way that a lump sum death benefit may be taxed depends on whether it is paid to a dependant or non-dependant as defined by tax laws.

The definition of 'dependant' under tax laws and super laws is different – not everyone who is an eligible beneficiary for a reversionary spouse or child pension may be considered a tax dependent. When considering the tax implications of a death benefit, you should consider the definition that applies under tax laws.

If paid to...	The following tax applies...
Tax dependant	• The whole lump sum benefit is tax-free.
Tax non-dependant	• No tax is payable on the tax-free component. • The taxable component (taxed element) is taxed at 17%. The taxable component (untaxed element) is taxed at 32%.

All tax rates include 2% Medicare levy and assume a valid TFN has been provided. If the recipient's marginal tax rate is lower than the applicable tax rate in the table above, they may be entitled to a tax rebate.

Under tax laws, a person is your dependant if at the time of your death they are:

- your current or former spouse, including a de facto spouse (whether of the same or opposite sex)
- your child under 18 years old, or your child over age 18 provided they're financially dependent on you
- any other person with whom you had an interdependency relationship.
- any other person who was your dependant, which ordinarily means someone who was financially dependent on you.

3 The low rate threshold amount is a lifetime threshold that applies to all of your superannuation lump sum payments. The amount is indexed to Average Weekly Ordinary Time Earnings (AWOTE) in $5,000 increments (rounded down).

Superannuation surcharge

Superannuation surcharge was a tax on surchargeable contributions accrued by higher income earners after 20 August 1996. This tax was abolished from 1 July 2005 but the ATO can make surcharge assessments after 1 July 2005 for surchargeable contributions made in previous years.

Additional important information

Risks

There can be some risks associated with beginning and continuing a pension. The level of risk that may be right for you depends on a range of factors. You should consider your own circumstances and goals in decisions about your financial future.

Some examples of risks you should be aware of are included below.

- If you choose the Division CF deferred retirement pension and your circumstances change such that the pension no longer suits your needs, you may not be able to commute your pension to a lump sum amount in the future, other than within the required timeframes (page 8) or where cooling-off rights apply to you (page 4).
- A Division CF deferred retirement pension is paid fortnightly for life and your pension amount is indexed annually based on CPI movements (page 5). You can't change the payment amount or the frequency with which you receive payments, and you can't make extra withdrawals with this type of pension.
- Your pension payments may affect income and assets tests if you apply for or are receiving government social security benefits.
- Social security can be complex area. You should seek professional advice before finalising any decisions that may affect your financial future.
- The amount you receive from your pension may not adequately provide for your retirement.
- A transfer balance cap applies to retirement phase income streams. This may mean that you, or your spouse in the case of a reversionary pension entitlement, may not able to transfer some of your super into a retirement phase pension product.
- If both you and your spouse die earlier than the standard life expectancy estimates for the general population, or if you don't have an eligible spouse or children to receive a reversionary pension in the event of your death, the total pension paid may represent a lower return compared to returns that may have applied to a lump sum benefit or a commuted pension amount that was invested in other investment strategies.
- If you have no eligible spouse or child, no further benefit is payable from Division CF upon your death.
- Laws relating to super, or associated areas such as tax or social security, may change in the future.
- The amount of any deferred retirement benefit or lump sum entitlements may be reduced if you're found to have committed any act of fraud or misconduct while employed by the Group.

Fees and other costs

No fees or costs currently apply to benefits deferred in Division CF or to a Division CF deferred retirement pension.

Information we send you each year

If you begin a Division CF deferred retirement pension, we provide you with information including:

- details of your pension indexation effective 1 October each year
- a PAYG Payment Summary for tax purposes at the end of each financial year, if applicable to you
- an Annual Report each year, which we may make available via our website and if so, we will notify you in writing, e.g. with your pension communications.

Each year, we're also required to report your pension information directly to the Services Australia (Centrelink). We can provide this information to you upon request if required for your own records.

Our website oursuperfund.com.au also has other information and resources that you may find helpful.

We also make available certain information about the fund and trustee, such as the trust deed and rules, audited financial statements, actuarial reports, procedures for appointing directors, the trustee's constitution, and details of executive remuneration. Visit oursuperfund.com.au/aboutus to find this information, or call us for a copy.

Information we ask you to provide each year

Each year, we write to you asking you to confirm certain details to help us meet our obligations to pay your pension correctly and as efficiently as possible – this is known as an *Annual Pension Declaration*.

Even if your details haven't changed, it's important for you to still respond to or complete our *Annual Pension Declaration*, otherwise we may suspend your pension payments until we hear from you.

In the event of your death, it's important that we're notified as soon as possible. This helps us begin assessing whether a reversionary benefit is payable as soon as possible. It also helps us minimise the risk of any undue financial stress that may be caused to your dependants if pension payments need to be returned to us because they were paid in your name after your death. Even if a reversionary benefit is payable, the difference in pension entitlements generally means an amount will need to be returned. If we haven't been informed of your death, this can result in a substantial amount of money that a spouse or an estate would need to return.

Automatic transfer of benefits if you don't provide payment instructions

If you commute all or some of your deferred retirement pension to a lump sum, or if you elect to receive your withdrawal lump sum, this lump sum can't remain in Division CF. You can transfer it to an Accumulate Plus super account or Retirement Access pension account in our fund, transfer it to another super fund, and/or receive it in cash if you have met a condition of release.

You have 90 days to provide us with payment instructions for any lump sum benefit. If we don't receive valid instructions from you, or if the fund you nominate doesn't accept the payment, we automatically transfer the lump sum benefit to an Accumulate Plus account in our fund.

If you have an existing Accumulate Plus account in our fund, the transferred benefit is credited to that account and invested according to the investment selection in place for that account at the date of transfer.

If you don't have an Accumulate Plus account, a new account is opened for you and the transferred lump sum benefit is invested in the default Balanced (MySuper) investment option.

If a lump sum benefit is transferred, your rights and obligations in respect of that benefit are in accordance with the rules for Accumulate Plus, which are different from those in Division CF. You should note that:

- Fees apply to an Accumulate Plus account – read our *Member Guide (PDS) for Accumulate Plus* from oursuperfund.com.au/pds for more details.
- An Accumulate Plus account balance is subject to investment returns, which are not guaranteed and may be positive or negative. This means the value of your super may rise or fall at any time. If returns are negative, this reduces the value of your benefit.
- The default Balanced (MySuper) investment option in Accumulate Plus has a medium-high level of investment risk. You need to consider whether this is appropriate to your circumstances.
- Accumulate Plus accepts member and employer contributions, as well as rollovers from other super funds.
- Insurance cover is available to eligible members in Accumulate Plus – read the PDS and relevant *Reference Guide: Insurance cover* from oursuperfund.com.au/pds for more details.

If your benefit is transferred, you should contact our Accumulate Plus contact centre on 1800 023 928 between 8am and 7pm (AEST/AEDT) Monday to Friday with any enquiries.

Privacy

We're committed to protecting the personal and sensitive information that we hold about you. Our *Privacy policy* complies with the *Australian Privacy Principles* and the *Privacy Act 1998*, which govern the way we collect, use, exchange and secure information about you.

The information in this section is a summary but we encourage you to find out more about how we use and protect your personal information by reading our *Privacy policy* at oursuperfund.com.au/privacy, or you can request a copy free of charge by contacting us.

The information that we collect about you may come directly from you or may indirectly come from other people, such as the Group. In some cases, we may exchange this information with our service providers, some of which may be based overseas – read our *Privacy policy* for more detail.

Under super and other laws, we need to request and hold certain information to enable your super and pension benefits to be properly administered. We're careful about how we use your information. The information we collect and hold in connection with the fund is used primarily for the purpose of managing the affairs of the fund and helping our members maximise their super benefits.

We also use your information for other reasons, such as to better understand you and your needs. This may include providing you with information about other products and services that may help you understand and make decisions about your retirement savings, or it may be required to ensure we comply with our legal obligations. If we need to collect sensitive information, we'll ask for your permission, except where otherwise allowed by law.

You generally have the right to request access to any information we hold about you. There's no fee to make a request but an access charge may apply to cover the cost of providing the information. If applicable, we'll let you know of any charge before acting on a request.

If you don't give us the personal information we request, we may not be able to properly administer your super and pension benefits. It's also important that we hold the correct information for you, otherwise it can affect our ability to manage your pension or comply with our legal obligations. You can ask us to correct any inaccurate information at any time and we'll take all reasonable steps to do so. There's no charge for these requests.

If you think there's a breach of your privacy, you can contact our privacy officer on 1800 135 970 to discuss this.

Exchanging member and pensioner information with the Commonwealth Bank Group

We have a relationship with Commonwealth Bank (the Bank) as our sponsoring employer under the trust deed. Some of the information we hold about you is exchanged with the Bank, as well as other Group entities, for the purposes of managing the fund.

As a defined benefit pensioner we may provide information to the Bank about your pension. This may include information about the amount of pension you receive or how your pension is paid, or information to assist the Bank in maintaining records of previous employees and/or their beneficiaries.

Enquiries and complaints

We have a formal process for handling complaints about our fund's operation or management. In the event that our internal process doesn't achieve a timely resolution, the process also includes escalation to an external independent complaints resolution body.

For enquiries or complaints about defined benefit super or pensions, you should contact us by phone, email or in writing (page 2) and we'll acknowledge to you that we've received your complaint.

If you feel that you've been treated unfairly or disadvantaged by a decision from our fund's administrators, you can refer your complaint directly to the Complaints Officer at our mailing address.

We make every effort to respond to your complaint as soon as possible but please understand that in some cases it may take time to collect any relevant information.

We endeavour to respond to you within 45 days, or 90 days if your complaint is about a death benefit distribution, which are the timeframes provided under super law. In some exceptional cases, where the complaint is particularly complex or there are circumstances beyond our control, it may take longer than the relevant timeframe to issue you with a final response. Where this occurs, we'll write to you explaining why a decision hasn't yet been made and give you an updated timeframe. We'll keep you informed of progress and also provide you with contact details for the Australian Financial Complaints Authority (AFCA) (see below).

AFCA is an independent government dispute resolution body that helps members and other beneficiaries resolve certain types of complaints with super funds. There are timeframes that apply to lodging a complaint with AFCA.

AFCA's contact details are:

- Post: GPO Box 3 Melbourne VIC 3001
- Web: www.afca.org.au
- Telephone: 1800 931 678 (free call).

Read our *Enquiries and complaints* fact sheet from oursuperfund.com.au/complaints for more information, or call us for a copy.

We handle any information collected while dealing with your complaint in accordance with our *Privacy policy* (page 15).