

Income account guide

The information in this document forms part of the Mercy Super Product Disclosure Statement

Issued 1 October 2020



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This *Income account guide* gives you details about Mercy Super's Income account and other important topics like fees and tax as they apply to you. The information in this document forms part of the *Product Disclosure Statement for Super and Income accounts* (PDS) issued on 1 October 2020, and the PDS references information that you'll find in this guide. Other important information is contained in Your investment options guide which also forms part of the PDS. You should consider the information contained in these documents before making a decision about investing in an Income account. The information in this guide is general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice tailored to your own personal circumstances.

Is an Income account for me?

Mercy Super's Pre-Retirement Income and Post-Retirement Income accounts allow you to invest your super monies into a tax-effective account and draw a regular income.

Before you invest in a Mercy Super Income account, you should consider how it works in the context of your overall financial strategy for retirement. We recommend you obtain financial advice to ensure that it's the right product with the right options selected for you.

Some things to consider include:

- your current and ongoing financial commitments
- tax implications
- social security payments (Centrelink) impact, and
- your life expectancy beyond retirement.

You can arrange an appointment by calling us on **1300 368 891**. Our in-house financial advisers can explain the options available and assist you to set up a strategy that is right for you, based on your personal circumstances.

Who is this guide for?

If you're thinking about activating your Mercy Super Income account, then this guide is for you. It explains how our Income accounts work, which one may be right for you and how to open an account.

Keeping you informed

This guide was current at the time of issue. We may change or update the information in this guide from time to time. Where the change is not materially adverse, you can obtain this information by visiting our website mercysuper.com.au. You can request a paper copy (free of charge) by contacting us on **1300 368 891**.

This guide does not cover every contingency or issue that may arise. The Fund's Trust Deed and superannuation law set out your full legal rights and entitlements. Mercy Super Pty Ltd acts as trustee (in this document referred to as the 'Trustee' or simply 'we') of Mercy Super (in this document referred to as the 'Fund' or simply 'us'). Where we refer in this document to the word 'our', we may be referring to either or both the Trustee and the Fund.



1. Welcome to Mercy Super

We exist solely to look after the super for employees who work in health, aged care, education and community welfare and their partners. People just like you.

We take our responsibility to look after our exclusive membership community seriously. We've been doing it since 1962 (about 30 years before super was compulsory).

Today, the core purpose behind Mercy Super remains unchanged – to build better retirement outcomes for our unique community of members. We may be in our late 50s, but we're as fresh and energetic as ever – taking care of the \$1.4 billion entrusted by more than 13,000 exceptional people that make up our membership community.

Importantly, we're here so you can continue to enjoy the care and support provided by Mercy Super through every stage of your life's journey. As you transition and enter into your retirement years you can access your super through your Income account.

Mercy Super – *always for you*



Genuine care when you need it from our in-house team of qualified staff and financial advisers – all salaried Mater people



Investment options with a long history of strong, consistent, competitive performance



24/7 online access to your super including a range of tools and calculators



How can we help you?

If you're looking for information or help, never hesitate to contact us. Simply drop by for a chat, call us on **1800 368 891** or send us an email to **information@mercysuper.com.au**



Keep track of your Income account on the go

With Mercy Super's Member Online, you get secure, round-the-clock access to your account. It's easy to use and you can:



Check your account balance



See your transaction history, including payments



View and change your payment or investment options

To get started with Member Online, go to **mercysuper.com.au**

2. A snapshot of Mercy Super's Income accounts

Mercy Super can keep your money working for you as you move into and through retirement.

Our flexible Income accounts enable you to retain the benefits of the super investment environment, while receiving a regular income.

We offer two types of Income accounts:



You're still working:

Pre-Retirement Income account

Ease into retirement while you boost your super or cut back on your working hours using your Income account to supplement your take home pay.



You're fully retired:

Post-Retirement Income account

Gives you a regular income while your savings stay invested in a tax-friendly environment.

Mercy Super's Income accounts allow you to choose:



When and how much you want to be paid

You can choose when you want your regular income payments – fortnightly, monthly, quarterly, half-yearly or annually. With a Post-Retirement Income account you can also make lump sum withdrawals when you need to.



How you want your money invested

You can choose from a range of investment options with varying risk profiles to establish an investment portfolio that best suits your need.



Your beneficiaries

You can make a preferred or binding nomination of who you would like to receive your lump sum benefit in the event of your death, or establish an eligible reversionary beneficiary when you first open an Income account, allowing the ongoing regular payment of your income to your dependant.



Tax-friendly income

No tax is payable when you transfer money from your Super account into an Income account (subject to a lifetime cap of \$1.6 million* on how much can be transferred to 'retirement phase' accounts such as the Post-Retirement Income account. No transfer cap applies to the Pre-Retirement Income account).

Your income payments are tax-free if you're age 60 or over. And if you're under age 60, you may be entitled to a tax rebate of up to 15% on the taxable part of your income payments.

* \$1.6 million from 1 July 2019. This cap will be indexed in \$100,000 increments in line with the consumer price index.

3. Pre-Retirement Income account



Transitioning into retirement

As you approach retirement, you may choose to access part of your super through a Pre-Retirement Income account as part of a transition to retirement (known as TTR) strategy.

If you're still working and have reached your preservation age, you can receive regular payments from your super (between 2% and 10% of your Pre-Retirement Income account each year¹ which are tax-free if you're over age 60), providing some options to either give your super a boost with higher contributions or gradually wind back your working hours without reducing your take home pay.

Save more or work less?

The choice is yours – a TTR strategy can help put more into your super providing more savings in retirement or, slow down your working hours as you start to transition into your retirement lifestyle.

Here's how it works:

"Save more" - growth TTR strategy

This is all about saving on tax.

- You start by salary-sacrificing some of your pay into your super. This reduces your tax bill and your salary-sacrifice contributions are taxed at just 15%.
- To make up for the drop in your take home pay from these additional salary-sacrifice contributions, you top up your income by drawing regular payments from your Mercy Super Income account so your overall net income stays the same. If you're age 60 or over these payments are tax-free so you don't need to withdraw as much from your super to offset the impact of the additional contributions going in.

How does it work?



¹ Minimum payment requirements temporarily reduced for 2019-20 and 2020-21 financial years - see page 11 for more information on Income account payment options.

Example Jennifer – age 60 gross salary \$80,000 p.a.²

Jennifer wants to put in a “save more” growth TTR strategy to give her super a boost without sacrificing her take-home pay of around \$2,339 per fortnight.

She asks her employer to salary-sacrifice \$670 of her salary per fortnight to her super, which reduces her take-home pay to around \$1,890 per fortnight.

To make up for the difference in her take-home pay, Jennifer draws down \$439 per fortnight from her Income Account bringing her total fortnightly income back to \$2,339.

Even after 15% tax is applied to her salary-sacrifice contributions, **Jennifer’s super is boosted by an extra \$3,370 p.a. without any change to her take-home pay.**

“Work less” – wind down TTR strategy

This is all about replacing lost income.

- If you reduce your hours of work, your take home pay will also reduce.
- To offset the loss of net take home pay, you draw an income from your Mercy Super Income account. If you’re over age 60 these payments are tax-free so you don’t need to withdraw as much from your super to offset the pre-tax salary lost from your reduced working hours.

How to setup your TTR strategy

You already have an Income Account as part of your Mercy Super membership – it’s just waiting to be activated.

1. Transfer some of your Super Account balance to your Income Account.

You will need to keep at least \$8,000 in your Super Account to keep it open to receive your employer contributions and additional salary sacrifice contributions. You should also make sure there is enough in your Super Account to cover any insurance premiums.

2. Arrange any additional salary sacrifice contributions with your employer’s payroll.

They can arrange to have your additional salary sacrifice contributions paid to your Super Account.

3. Set up regular payments from your Income Account.

You’ll need to choose how much and how often you want payments to be made from your Income Account to top up your take home pay.

The tricky part is getting these amounts right – as it involves tax, it can get a bit complicated but that’s where we can help. Our in-house financial advisers can help set up a TTR strategy that works for you based on your needs and personal circumstances.

Things to consider

- You can implement a TTR strategy if you’re over your preservation age. If you’re age 60 or over, the payments from your Income Account are tax-free. If you’re under age 60, the taxable portion of your payments are taxed at your marginal tax rate, subject to a 15% offset.
- You’ll need to transfer at least \$50,000 from your Super Account to activate your Income Account.
- There are minimum and maximum amounts you can draw down from your Income Account.
- There are limits to the amounts that can be tax effectively salary-sacrificed back to your Super Account, so you should check out your contribution caps before you set up your TTR strategy.
- If you’re earning less than \$37,001 p.a. or more than \$250,000 p.a. a “Save more” growth TTR strategy may not be effective for you. We recommend you seek financial advice before proceeding with a TTR strategy.

² Assumptions for TTR examples:

- Based on 2020/21 individual income tax rates for Australian residents including Low Income Tax Offset.
- income account withdrawals are made at the end of the year.
- Source of figures: Mercy Super Financial Services.

4: Post-Retirement Income account



A Post-Retirement Income account generates a regular income for you in retirement while your savings stay invested in a tax-friendly environment. To be eligible for a Post-Retirement Income account, you must have reached your preservation age and meet the eligibility requirements (see Step 1 on page 10).

You can choose the amount of income you receive, as long as you withdraw at least the prescribed minimum payment (as a percentage of your account balance) each year.

How does it work?

Your Income Account



Open your Income account with an initial transfer of \$50,000 or more

Receive regular payments

Access your money and make lump sum withdrawals as you need

Example Susan

Susan is age 65 and retires with \$200,000 in her Super account. Susan opens a Post-Retirement Income account and transfers her Super account balance into her new Income account.

Susan will need \$20,000 for living expenses, so she sets her Income account payments at 10% p.a. of her account balance.

The table below shows Susan's account balance at the end of 12 months.

Susan's opening balance	\$200,000
Less Income payments for one year	(\$20,000)
Plus Investment returns*	\$13,300
Less Administration fee**	(\$580)
Balance after 12 months	\$192,720

Even after drawing \$20,000 from her account each year and having fees deducted, Susan's account balance is only \$7,280 less than at the beginning of the year. Importantly, in this example Susan has not paid any tax on her investment returns or the payments made from her Income account as she is over age 60.

Assumptions:

* Investment returns based on earnings of 7% p.a.

** Administration Fee of 0.3% (capped at \$1,000 p.a.)

Can I make lump sum withdrawals?

Yes. You can make lump sum withdrawals from your Post-Retirement Income account at any time.

Withdrawals made at or after age 60 are not subject to tax. If your account balance falls below \$2,000, we may close your Post-Retirement Income account and pay the remaining funds into your bank account.

Lump sum withdrawals prior to age 60 are taxed as super lump sum payments so there will be a taxable component and a tax-free component. See 'How super is taxed' on page 20 for more information.



NEONATAL EMERGENCY
PHONE "555"

STATE: "NEONATAL CODE BLUE"
LOCATION: "ADULT HOSPITAL"
"LEVEL 5 THEATRES"
"OBSTETRIC RECOVERY"
NAME OF CALLER
ASK SWITCH OPERATOR TO REPEAT BACK

NEONATAL RESPONSE TEAM SPEED DIAL FINGER

Neonatal Registrar	7754	67 4807
Neonatal Fellow	7755	67 4102
Code Nurse		67 4102

For extra assistance please "555" Team 1 code or 999

5. Activating your Income account

You can activate your Income account if you:

- Are eligible (see Step 1 on page 10)
- Have at least \$50,000 in your Super account.

Opening an Income account is easy!

Below we've listed some of the important steps to work through when you're setting up a new Income account. To open a Pre-Retirement Income account or Post-Retirement Income account, you'll need to complete the *Income account activation* form at the back of this guide, or available from our website mercysuper.com.au

STEP 1: Get ready to open an Income account – see page 10

- Check that you're eligible (see Step 1 on page 10)
- Decide which Income account suits you
- Combine your other super into your super account

STEP 2: Decide on your payments – see page 11

- Decide how much your regular payments will be (minimum and maximum payment amounts may apply)
- Choose a payment frequency from fortnightly, monthly, quarterly, half-yearly or annually
- Choose how you'd like your payments made from your chosen investment option/s

STEP 3: Set up your investment strategy – see page 13

- Decide how you'd like to invest your Income account balance

STEP 4: Plan your estate – see page 14

- Let us know how you want your benefit paid in the event of your death

STEP 5: Activate your Income account – see page 15

- Return the completed forms for us to activate your Income account



Before getting started with a Mercy Super Income account, we recommend you seek financial advice. To speak with one of our in-house financial advisers, give us a call on **1300 368 891** or **07 3163 8880**.

STEP 1: Get ready to open an Income account

Check that you're eligible

To open a **Pre-Retirement Income account** you must have reached your preservation age (see table below) and still be in the workforce.

To open a **Post-Retirement Income account** you must:

- have reached your preservation age (see table below) and be permanently retired from the workforce, or
- have reached age 60 and left your employment (though you are free to start work with another employer), or
- have reached age 65, or
- have been assessed as Totally and Permanently Disabled.

Temporary residents are not eligible to open a Mercy Super Income account.

Preservation age

Your preservation age is determined by your date of birth:

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

Decide which Income account suits you

The right Income account for you depends on your retirement plans and your eligibility for each option.



If you want to:

- ease into retirement by reducing your working hours and want to supplement your reduced income, or
- boost your super before you retire by combining an Income account with salary sacrifice,

a Pre-Retirement Income account could be the answer (see page 5 for more information).



If you want to receive a regular income after you retire, a Post-Retirement Income account could be for you.

Combine your super into a single account

To open an Income account, you will need to transfer an amount from your existing Super account with Mercy Super.

If you have more than one super account, you may want to consolidate them into your existing Mercy Super account before applying to open your Income account. These amounts cannot be added to your Income account once it has been opened.

To transfer amounts from other super funds into your Super account, simply complete the *Easy rollover instructions* form available from our website, or login to your account via Member Online at mercysuper.com.au and initiate the transfer.

If you subsequently want to transfer amounts from other super funds, or add to your Income account in the future, you will need to open a new account with your transferred super funds or additional contributions. Alternatively, you can transfer your existing Income account into a Super account and set up a new Income account with the combined amount. While neither of these actions is difficult, we recommend that you contact us to discuss your options.

Note that there is a lifetime cap on how much super can be transferred to 'retirement phase' such as the Post-Retirement Income account. The cap is \$1.6 million[#] for the 2020/21 year and it applies to the combined amount in **all** your 'retirement phase' accounts.

There is no limit on how much can be transferred to a Pre-Retirement Income account.



TIP: You might want to consider leaving an amount in your Super account to receive any super contributions you may receive in the future. The minimum balance required in your Super account is \$8,000.

Family law and your super

Super entitlements form part of the property of a relationship under family law legislation. This means that if your relationship with your spouse (including de facto) breaks down, your super entitlements may be split with your spouse either by agreement or court order, and your spouse may receive some or all of your super entitlements.

In these circumstances your spouse may request information about your super entitlements and we are legally obliged to respond to the request.

[#] \$1.6 million from 1 July 2020. This cap will be indexed in \$100,000 increments in line with the consumer price index.

STEP 2: Decide on your payments

Work out what payment amount you'll need

Once you've worked out which Income account suits you and your eligibility, the next step is to work out the payment amount you wish to receive each year. The amount you draw from your Income account is subject to minimum (and maximum **for Pre-Retirement Income accounts**) levels set by the Government.

- **For Pre-Retirement Income accounts** the annual payment amount must be a minimum of 2% and a maximum of 10% of the total account balance.
- **For Post-Retirement Income accounts** the annual minimum payment is based on your age and your account balance at 1 July each year (see table below).

If you start an Income account part way through a financial year, your initial minimum payment amount will be proportioned based on the number of days to the end of that financial year.

If you commence your Income account between 1 June and 30 June, you can defer your first payment to the next financial year.

We will recalculate your minimum payment at the start of each financial year.

Minimum payments

The minimum annual payment amount for both types of Income account is:

Age	% of account balance	
	2020/21	2021/22 onwards
Under 65	2%	4%
65 – 74	2.5%	5%
75 – 79	3%	6%
80 – 84	3.5%	7%
85 – 89	4.5%	9%
90 – 94	5.5%	11%
95 or more	7%	14%

Example Helen, age 66

Helen commences an Income account on 1 July 2020, with \$240,000.

For the first year, her minimum is 2.5% of her opening account balance (\$6,000).

Helen's minimum monthly payment is therefore \$500 per month and because she is over age 60, her payments are not subject to tax.

Maximum payments (Pre-Retirement Income accounts only)

A maximum of 10% of your account balance applies to Pre-Retirement Income accounts.

There is no maximum payment amount for Post-Retirement Income accounts.

Example Michael, age 58

Michael commences a Pre-Retirement Income account, with \$240,000.

The maximum he can take out in his first year is $\$240,000 \times 10\% = \$24,000$ p.a. or \$2,000 per month.

Choose when you want to be paid

You can choose to have your regular Income payments made on a fortnightly, monthly, quarterly, half yearly or annual basis.

We make payments directly into your nominated bank account and funds should be available within five working days. Your first payment will be issued on the next payment cycle once your application has been processed. Payment due dates are:

- **Fortnightly:** every second Thursday
- **Monthly:** the 15th of the month or the working day prior if the 15th is a weekend or public holiday
- **Quarterly, half-yearly and annually:** You must nominate the first month in which the payment is to be made and subsequent payments will be three, six or 12 months later. Payments will be made on the 15th of that month or the working day prior if the 15th is a weekend or public holiday.

These will be deposited directly into your nominated bank, credit union or building society account.

Note: Payment cannot be made into a business account or an account in any name other than your own (except for accounts held in joint names).

Choose the investment options your payments are drawn from

If your money is invested in more than one investment option, you may choose the investment option/s from which you would like your income payments made. You can either:

1. **Elect a priority draw down order.** Payments will be drawn from one investment option at a time. Payments will be drawn from your first nominated option until that option is depleted, after which payments will be drawn from your next nominated option and so on.
2. **Choose which options and the percentage proportions your payments are drawn from.**
3. **Have your payments drawn from your existing investment options proportionally** based on how the current balance of your account is invested.

If you don't nominate the option/s from which you want your payments to be drawn, we will draw your payments proportionally based on the current allocation of your Income account balance. This means if you invest 60% in Balanced and 40% in Cash, we will draw your income payments in the same 60:40 ratio from those two options.

If you nominate payments to be drawn from investment options in different proportions to the way you have invested your money, your asset allocation will change as your payments are made.



TIP: No matter which investment options your income payments are made from, payments and differing investment returns between options will change your asset allocation over time. It is therefore particularly important to regularly monitor your asset allocation against your investment strategy to ensure it continues to meet your personal and financial objectives.

Change your payment amount or frequency

You can change your regular payments at any time. Just login to your account via Member Online or complete a *Request to vary your payment* form which is available at mercysuper.com.au or by calling us.

Your income limits

Each financial year we will calculate your account balance as at 1 July and your income payment minimum and maximum amounts (where applicable) for the coming year. You can then re-select your income according to your limits.

Unless you let us know otherwise, we'll continue to make your regular payments at the same level as the previous financial year, providing:

- **Pre-Retirement Income account:** the income is between the minimum and maximum limits. If your payment is outside these limits we will adjust it to remain within these limits.
- **Post-Retirement Income account:** the income is at least the minimum required percentage of your account balance depending on your age.

How long will your Income account last?

An Income account is not a lifetime pension – it's possible that you may use up your savings before you die.

How long your Income account will last depends on:

- How your investment option/s perform
- How much you withdraw in payments (subject to minimum and maximum limits)
- Fees, charges and taxes deducted from your account (where applicable).

Your account balance may increase if your investment earnings are greater than the sum of your Income account payments, fees, charges and taxes. Your account balance will decrease if these items exceed your investment earnings.

Check any income support impacts

Your Mercy Super Income account may affect your eligibility for Australian Government income support payments.

Your Income account balance is assessed against the Australian Government's assets test. Under the Australian Government's income test, your Income account is deemed to earn a specific rate of return which is counted as income under the income test, regardless of the actual returns generated or the actual income received.

For more information on your entitlements, call the Department of Human Services on 132 300 or talk one of our in-house financial advisers on **1300 368 891**.

STEP 3: Set up your investment strategy

We recognise that everyone is different and that members have different priorities and views about how they would like their super savings invested. That's why we offer you a range of professionally managed pre-mixed investment options, as well as a Cash option. These provide a carefully selected diversified mix of assets suitable for most members with different risk and return objectives.

Investment option	Asset type (based on Strategic Asset Allocation)	
Growth	82.5% GROWTH	17.5% DEFENSIVE
Balanced	66.5% GROWTH	33.5% DEFENSIVE
Conservative	48% GROWTH	52% DEFENSIVE
Stable	28% GROWTH	72% DEFENSIVE
Cash	100% DEFENSIVE	

We classify growth exposure as the following portion of an option's asset allocation: 100% Australian and International Equities, 100% Alternative Growth, 50% Property, 50% Infrastructure and 50% Alternative Defensive. The remainder is classified as defensive exposure, including Australian and International Fixed Interest and Cash.

How to make or change your investment choice

When you open your Income account, you will need to choose where you'd like to invest your account balance and the option/s that you'd like your income payments to be made from.

To change your investment selection at any time, login to your account via Member Online or complete the *Changing your investment options - Income Stream Members* form available at mercysuper.com.au.



TIP: You can stay on track with your investment strategy by having your income payments made from the investment option/s you choose. And you can easily change your investment option selections to meet your changing needs. Mercy Super can help you design an investment strategy based on your personal circumstances. Contact us and we'll help you get the most out of your super savings.



For more information about our investments options, including investment basics, asset classes, strategic asset allocations, how we invest and investment risk, read the *Your investment options* guide available from at mercysuper.com.au or by calling us.

STEP 4: Plan your estate

No one likes to think about what will happen when they die but by planning ahead you can make it easier for your loved ones. Your Mercy Super Income account is a valuable benefit and it's important to let us know where you'd like your money to go after you're gone.

Mercy Super allows you to specify how you wish your death benefit to be paid by making a beneficiary nomination.

You can choose the type of nomination that best suits your needs from:

Reversionary Income	Non-binding nomination	Binding nomination
You nominate a person to continue to receive your benefit as an income stream.	We'll be guided by your nomination when paying a benefit.	We are bound to pay your benefit as you have directed.

The most appropriate nomination will depend on your personal circumstances. You should seek advice from a legal or financial adviser. If you don't make a nomination, Mercy Super has absolute discretion to pay your benefit to your dependant/s and/or your legal personal representative.

Reversionary beneficiary nomination

A Reversionary beneficiary nomination means that when you die, your income payments will be made to your nominated dependant. You can only nominate someone as a Reversionary beneficiary at the time you open your Mercy Super Income account. Once your Income account is open, you can't change or cancel your Reversionary beneficiary unless you close your Income account and open a new one.

An income can only be paid to a Reversionary beneficiary where they are one of:

- your spouse (including de facto), or
- any person financially dependent on you at the time of your death, or
- any person who is in an interdependency relationship (see 'Definitions' at right) with you at the time of your death, or
- your child that:
 - is under 18 years of age, or
 - is over 18 years of age but less than 25 and financially dependent on you, or
 - has a disability that meets the definition in subsection 8(1) of the *Disability Services Act 1986*.

However, where your Reversionary beneficiary is a child, the income is only payable in limited cases and for limited periods.

If the person you have nominated doesn't meet the definition above, then a benefit can only be paid as a lump sum to your dependants and/or your legal personal representative.

Non-binding nomination

A non-binding nomination means the Trustee will use your nomination as a guide only, along with other current and relevant information (for example, your most recent Will) when deciding how your benefit should be paid when you die. Your nomination will not be binding on the Trustee.

You can make a non-binding nomination using the *Beneficiary nomination* form available from mercysuper.com.au or by calling us. You can update or cancel your nominations at any time by completing a new *Beneficiary nomination* form or via Member Online.

Binding nomination

With a binding nomination, the Trustee is bound to pay any death benefit entitlement in the way you have requested on your nomination, providing your nomination including the nominated dependant/s is valid at the time.

Your form must be signed and dated by you and two witnesses over the age of 18 who are not beneficiaries of your binding nomination.

Your binding nomination will only be valid for three years. Therefore, you will need to keep it updated and current.

You can make a binding nomination using the *Beneficiary nomination* form available at mercysuper.com.au. You can also update or cancel your nomination at any time by completing a new *Beneficiary nomination* form.

Definitions

Dependant

For super purposes your dependants are:

- your spouse (including de facto)
- children of any age
- any person financially dependent on you at the time of your death, or
- any person who is in an interdependency relationship with you at the time of your death.

Interdependency relationship

- A close personal relationship between two people who live together, where one or each provides the other with financial support, and one or each provides the other with domestic support and personal care, or
- A close personal relationship that does not satisfy the other criteria because one or both people suffer from a physical, intellectual or psychiatric disability.

Legal personal representative

The executor of your Will or the administrator of your estate.

STEP 5: Activate your Income account

All that's left to do is complete the *Income account activation* form at the back of this guide.

To activate your Income account:

1. Use the *Easy rollover instructions* form to roll over super into your Mercy Super account before you activate for your Income account or login to your account via Member Online at mercysuper.com.au and initiate the transfer yourself.
2. Select your Income account option and complete the *Income account activation* form, or nominate a Reversionary beneficiary on your *Income account activation* form.
3. Make a binding or non-binding beneficiary nomination by completing the *Beneficiary nomination* form.
4. If you are under age 60, make sure you complete a *Tax File Number declaration*.

Return your completed forms to:

Mercy Super
PO Box 8334
WOOLLOONGABBA QLD 4102

Once we've received your completed documents and funds have been transferred from your Super account, we'll open your new Income account and send you a welcome letter.

Cooling off period

If after activating an Income account you change your mind, you have 19 days after we receive your *Income account activation* form or 14 days from the date you receive your Income account welcome letter (whichever happens first) to decide if the Income account is right for you.

Your ability to cancel your membership may be forfeited in certain circumstances (for example, if you exercise a right associated with your membership). If you do cancel your account during the cooling off period, the amount that is repaid to you will be adjusted to take account of any increase or decrease in the value of the investments you selected, reasonable costs and any tax payable on that amount.

If any of the monies used to acquire your Income account were preserved benefits (see 'Super preservation rules' on page 21), those monies will not be repaid to you, but may instead be transferred to an accumulation account, including an account with Mercy Super.



TIP: We recommend you consider financial advice from our on-site financial advisers to help you make the most of your super savings and any Income account you choose.

Advice through Mercy Super

Mercy Super members have access to personal financial advice through Mercy Super Financial Services Pty Ltd ABN 61 164 582 389 which is wholly owned by Mercy Super Pty Ltd, the Trustee of Mercy Super, and Authorised Representative 447518 of Link Advice Pty Limited.

Link Advice is an advisory group which provides licensing and infrastructure to super funds and other organisations who wish to provide financial advice. Mercy Super Financial Services pays a fee to Link Advice for these services. Link Advice holds an Australian Financial Services Licence (AFSL) No. 258145. Mercy Super Financial Services financial advisers are authorised representatives of Link Advice Pty Limited.

Contact us on **1300 368 891** to make an appointment with a Mercy Super financial adviser.

Activation checklist

Return your completed *Income account activation* form together with your:

- ☐ Proof of identity
- ☐ Copy of bank account statement
- ☐ *Tax File Number declaration* (if under age 60)
- ☐ *Beneficiary nomination* form (if applicable)
- ☐ *Easy rollover instructions* form (if applicable)

6. Fees and costs



DID YOU KNOW?

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

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

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

Your employer may be able to negotiate to pay lower administration fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

The text above is a Government prescribed Consumer Advisory Warning. All Mercy Super members enjoy the same competitive fees.

Fees and costs

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your account, from the returns on your investment, or from the assets of Mercy Super as a whole.

Other fees, such as activity fees and advice fees for personal advice, may also be charged, but these will depend on the nature of the activity, or advice chosen by you. Entry fees and exit fees cannot be charged.

Taxes and other costs are set out in another part of this document.

You should read all the information about fees and other costs because it is important to understand their impact on your investment. The fees and other costs for each investment option are set on the following pages.

Type of fee	Amount	How and when paid
Investment fee¹ (estimated)	Growth	0.887% p.a.
	Balanced	0.854% p.a.
	Conservative	0.777% p.a.
	Stable	0.588% p.a.
	Cash	0.113% p.a.
Administration fee¹	0.25% p.a. of account balance (subject to a cap of \$600 per year)	Deducted from your account monthly
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Advice fees relating to all members investing in a particular investment option	Nil	See Activity fees on page 18.
Other fees and costs	Activity fees may apply	
Indirect cost ratio¹	Nil	Not applicable

1. If your account balance is less than \$6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

Example of annual fees and costs for Mercy Super investment options

This table shows how the fees and costs for the investments options in this super product can affect your super investment over a one year period. You can use this table to compare this Income account product with other Income account products.

Example – Mercy Super investment options		Balance of \$50,000
Investment fees		For every \$50,000 you have in an investment option, investment fees will be deducted each year depending on the investment option you choose as follows:
	Growth	0.887% p.a. \$443.50
	Balanced	0.854% p.a. \$427.00
	Conservative	0.777% p.a. \$388.50
	Stable	0.588% p.a. \$294.00
	Cash	0.113% p.a. \$56.50
Plus Administration fees	0.25% p.a. of your account balance (subject to a cap of \$600 per year)	And you will be charged \$125 in administration fees each year
Plus Indirect costs for the investment options	0%	Nil
Equals Cost of product		If your balance was \$50,000, then for that year you would be charged the following fees investment option you choose as follows:
	Growth	\$568.50
	Balanced	\$552.00
	Conservative	\$513.50
	Stable	\$419.00
	Cash	\$181.50

Additional explanation of fees and costs

In addition to the administration fees charged directly to your Income account, Mercy Super incurs a number of other costs as part of providing benefits to members. The most significant of these are investment related costs which vary depending on the complexity of the underlying investment. Most of Mercy Super's investments are within pooled investment products managed by external professional investment managers appointed by the Fund. These investment products are known as 'interposed vehicles' because they sit between the Fund and the physical investment assets (such as shares, cash or real property).

Investment fee

The investment fee includes the costs that are paid in relation to the management of investments. For example, this includes amounts paid to our investment service providers (such as investment managers and the custodian) and amounts paid for investment transaction costs. These amounts are paid from the assets of each investment option before we calculate unit prices, and are not deducted directly from your account.

The benefits of any expenses included within the investment fees that are tax deductible are indirectly passed on to members through the net investment earnings allocated to member accounts.

Indirect cost ratio

The ICR includes investment costs that are incurred indirectly within our investment options. If applicable, these amounts are paid from the assets of each investment option before we calculate unit prices, and are not deducted directly from your account.

Transactional and operational costs

The Fund may incur transactional and operational costs, such as brokerage, settlement costs, clearing costs, stamp duty and buy-sell charges on underlying investment vehicles including when the investments of the Fund are bought or sold (including when members enter and exit the Fund). Mercy Super does not charge a separate buy-sell spread to entering and exiting members to recover these amounts.

Transactional and operational costs are an additional cost but are not deducted directly from member account balances and are instead taken into account in unit prices. All transactional and operational costs are included in the Investment fee of each investment option and will vary from year to year. Estimated transactional and operational costs, based on information provided by underlying investment managers for the year ending 30 June 2020 are reflected in (and recovered through) the unit price of the underlying fund managers or gross earnings the Fund receives from non-unitised investments.

The estimated transactional and operational costs, based on information provided by underlying investment managers for the year ending 30 June 2020, for each investment option are:

Growth	0.164%
Balanced	0.155%
Conservative	0.139%
Stable	0.100%
Cash	0.006%

The transactional and operational costs included within the Investment fee for investment options may change from time to time because of changes in indirect costs from year to year.

Buy-sell spreads

Buy-sell spreads are fees to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity. Mercy Super currently does not charge any buy-sell spreads.

Along with all other estimated transactional and operational costs, any buy-sell spreads incurred by Mercy Super in the management of the Fund's assets (if any) are reflected in (and recovered through) the unit price of underlying fund managers or gross earnings the Fund receives from non-united investments.

How performance fees work

Some of the Fund's investment managers receive performance-based fees. Performance fees apply only when the investment manager outperforms their target return. A target return is set as a percentage in excess of an index or other suitable benchmark above which a performance fee is payable.

Where a manager outperforms, the higher returns are reflected in the net earnings rate credited to members' accounts. The investment fees shown in the tables on pages 16 and 17 include a performance fee component for each investment option shown below. These have been derived from realised historical performance fees and are not a reliable indicator of future performance fees.

Growth	0.004%
Balanced	0.004%
Conservative	0.003%
Stable	0.000%
Cash	0.000%

Borrowing costs

Some of Mercy Super's investment options use underlying investment vehicles (interposed vehicles) that may incur borrowing costs when purchasing assets for that investment vehicle, as follows:

Growth	0.076%
Balanced	0.073%
Conservative	0.073%
Stable	0.049%
Cash	0.000%

These costs are the Trustee's share of fees and costs incurred indirectly via an interest in an interposed vehicle that relate to a credit facility and are reflected in the unit prices for the options. These costs are additional to the costs included in the Investment fee for each of these options, however they are not an additional charge to members because they are taken into account in unit prices.

Activity fees

If you use Mercy Super's in-house financial advisers for personal advice about your super, the cost of this advice may be deducted from your account. This will be agreed between you and your financial adviser and detailed in the Statement of Advice provided to you.

Taxation

Mercy Super is able to claim a tax deduction for certain costs of operating the fund. The benefit of these deductions may be used to offset general expenses or insurance premiums as determined by the Trustee.

For more information on how your Income account is taxed, see page 20.

Additions or alterations to fees

The Trustee may change or introduce new fees at its discretion. You will be given at least 30 days' notice in writing before any increase is introduced.

Defined fees

Superannuation Law defines the fees that trustees of superannuation funds are allowed to charge. These definitions are listed below. Mercy Super may not charge all of these types of fees.

Activity fees

A fee is an activity fee if:

- the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
 - that is engaged in at the request, or with the consent, of a member; or
 - 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 fees

An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs other than:

- borrowing costs;
- indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees incurred by the trustee of the entity 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 fees

A fee is an advice fee if:

- the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
 - a trustee of the entity; or
 - another person acting as an employee of, or under an arrangement with, the trustee of the entity; 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 spreads

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity. Mercy Super does not charge a buy-sell spread.

Exit fees

An exit fee is a fee to recover the costs of disposing of all or part of members' interests in the superannuation entity. Mercy Super does not charge an exit fee.

Indirect cost ratio

The indirect cost ratio (ICR) for an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the superannuation entity attributed to the investment option.

Note: A fee deducted directly from a member's account or paid out of the superannuation entity is not an indirect cost.

Insurance fees

An insurance fee is a fee if:

- (a) the fee relates directly to either or both of the following:
 - (i) insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity;
 - (ii) costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and
- (b) 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
- (c) 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.

Investment fees

An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:

- (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- (b) costs that relate to the investment of assets of the entity other than:
 - (i) borrowing costs;
 - (ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
- (c) 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 fees

A switching fee is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one class of beneficial interest in the entity to another. Mercy Super does not charge a switching fee.



7. How super is taxed

An Income account offers a number of opportunities for tax savings:

- No tax is payable on your income if you are aged 60 or over.
- Tax may be payable on only part of your Income if you are under age 60 because a tax rebate applies.
- No tax is payable on Post-Retirement Income account investment earnings. Pre-Retirement Income account investment earnings are taxed at up to 15% (the same as Super accounts).

The following is a summary of the key tax information relating to your Income account.

Given the complexity of tax laws, we recommend you obtain professional advice about your own financial situation.

Tax on regular payments

Income account members aged 60 or over pay no tax on either income payments or lump sum withdrawals (commutations).

If you are under age 60 income payments form part of your assessable income. You will receive a 15% tax offset (rebate) based on the taxable component of your income payment (see below). Mercy Super will deduct tax in a similar way to how an employer does which forms part of your tax return.

The amount of tax payable will depend on:

- the amount paid to you each financial year
- the tax components of your account, and
- the PAYG rate applicable for the amount paid.

For more information on tax rates visit the Australian Taxation Office website at ato.gov.au.

Your Income account may consist of two tax components:



Taxable component

and



Tax-free component.

No tax is deducted from the tax-free component of your income. If you are under age 60, the taxable component of your income payments are taxed at the PAYG rate applicable to the amount paid, subject to a 15% offset.

If you're under age 60, you'll need to complete a *Tax File Number declaration* when you activate for your Mercy Super Income account. This will enable us to manage your Income account in the most tax-efficient manner. If we don't have your Tax File Number, we will need to withhold tax on your Income account at the top marginal rate plus the Medicare levy. You will then need to wait until you receive your annual income tax assessment before you can receive any tax concessions to which you are entitled.

Example Andrea, age 58

Andrea has an initial balance of \$500,000. She elects to take 4% of her \$500,000 as income, which is \$20,000 per year. As Andrea's tax-free component is 20% of her account balance, the tax-free component of her income is 20% of \$20,000 which equals \$4,000.

The remaining \$16,000 is her taxable component.

To work out her tax offset, Andrea multiplies her taxable component of \$16,000 by 15% which equals \$2,400. Andrea is entitled to a tax offset of \$2,400 which she can use to reduce the tax payable on her assessable income, including the income received in the year from her Income account.

The tax-free ratio is calculated at the time of opening an Income account. That ratio is then fixed for the lifetime of the Income account and applies to all income and lump sum payments.



TIP: If you're under age 60, you should give careful consideration to the rate of tax applied to your income payment and your overall tax situation.

Supplying your Tax File Number (TFN)

Your TFN helps us to manage your Income account in the most tax-efficient manner.

If you are under age 60, you need to complete a *Tax File Number declaration* when you activate an Income account. The information on this form is used to work out how much tax should be deducted from your payments.

There are strict laws about how we can use your TFN, particularly around when we can share your TFN with other parties. Where required, we'll provide your TFN to the Trustee of another super fund or account to which your benefits are transferred in the future, unless you tell the Trustee in writing not to do so.

It is not an offence to not provide your TFN to us. However, if you're under age 60 and don't give us your TFN, you may have to pay more tax on your benefits than you normally would. To avoid this, please ensure we have your TFN.

Tax on lump sum withdrawals (commutations)

Lump sum withdrawals can generally only be made from a Post-Retirement Income account, not a Pre-Retirement Income account.

As lump sums are not included as part of your regular income payments, different tax requirements will apply. Withdrawal payments are taxed as super lump sum payments.

Cash lump sum payments are generally divided into tax-free and taxable components and are taxed according to your age as shown in the table below. The tax-free and taxable components are calculated using complex rules, but in general the components depend on the source of the original contribution.

You are...	Your taxable component is...	Your tax-free component is...
Less than preservation age	Taxed at 20% (plus Medicare levy)	Tax-free
Preservation age to age 59	The first \$215,000 (2020/21)* is tax free. You pay tax at 15% on the balance (plus Medicare levy)	Tax-free
Age 60 and over	Tax-free	Tax-free

**This cap is indexed, but only when indexation produces an increase of \$5,000 or more.*

The tax rates shown in the table assume you have supplied your TFN and that there is no untaxed element of your benefit in the Fund.

When withdrawing a lump sum from your Post-Retirement Income account, the amount withdrawn will need to be paid in proportion to your taxable and tax-free components.

The percentages determining your proportional component drawdowns do not change throughout the life of your Income account.

Tax on investment earnings

There is no tax payable on investment earnings while your money remains in a Mercy Super Post-Retirement Income account.

The investment earnings on a Mercy Super Pre-Retirement Income account are taxed at up to 15%.

Tax on death benefits

Upon your death, your remaining Income account balance will be paid to your dependants either as a Reversionary beneficiary (if you have nominated one at the time of opening your Income account) or as a lump sum to one or more of your eligible beneficiaries.

Reversionary beneficiary

The tax on income for a Reversionary beneficiary depends on age.

If either you or your Reversionary beneficiary are aged 60 or over, the payment is tax-free. If you are both under age 60, the taxable component of the Income account will be taxed at the Reversionary beneficiary's marginal tax rate until they turn 60.

Note that there are limits on the ability of super funds to make income payments to dependent children.

Lump sum death benefit payments to eligible beneficiaries

Lump sum death benefits paid to tax dependants will be tax-free. Dependants for *Income Tax Assessment Act* defined purposes are considered to be:

- your spouse
- children, but only those under age 18
- any person who is financially dependent on you at the time of your death
- a person with whom you have an interdependency relationship.

If the lump sum is paid to non-tax dependants (i.e. independent adult children), the taxable component will be taxed at 15% plus Medicare Levy.

Super preservation rules

Contributions made into super since 1 July 1999, including investment earnings, must be preserved in the super system. Generally, you cannot access preserved amounts until you meet at least one of the 'conditions of release'. The conditions of release are:

- you permanently retire from the workforce or commence an Income account on or after your 'preservation age'
- you leave the service of your current employer after you reach age 60
- you reach age 65
- you become permanently incapacitated
- you suffer from a terminal medical condition
- you die
- you meet the criteria and receive Trustee approval for the release of some of your super due to severe financial hardship
- you meet the criteria and receive government approval for the release of some of your super on compassionate grounds, or
- you permanently depart Australia after being a temporary resident.

This page has been left blank intentionally.

Income account activation form



Please complete this form if you intend to open a Mercy Super Income account. Please ensure you've read the *Mercy Super Product Disclosure Statement for Super and Income accounts (PDS)* and *Income account guide* before completing this form. Visit mercysuper.com.au or call us on **1300 368 891** or **07 3163 8880** to obtain copies.

1. Your personal details

SURNAME	(MR MRS MS MISS DR)	GENDER
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> MALE <input type="checkbox"/> FEMALE
GIVEN NAME/S	DATE OF BIRTH	
<input type="text"/>	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
RESIDENTIAL ADDRESS (Required)		
<input type="text"/>		
SUBURB	STATE	POSTCODE
<input type="text"/>	<input type="text"/>	<input type="text"/>
POSTAL ADDRESS (If different from above)		
<input type="text"/>		
SUBURB	STATE	POSTCODE
<input type="text"/>	<input type="text"/>	<input type="text"/>
TELEPHONE (Daytime)	MOBILE	
<input type="text"/>	<input type="text"/>	
EMAIL		
<input type="text"/>		

Do you have an existing Mercy Super account?

☐ Yes ☐ No

If YES, please provide your Super account member number

If YES, please provide your Income account member number

2. Type of account

Pre-Retirement Income account

☐ I have reached my preservation age but have not ceased gainful employment. I agree to be bound by the conditions and payment restrictions of a Pre-Retirement Income account as outlined in the PDS and *Income account guide*.

Post-Retirement Income account

Tick (✓) one of the following:

- ☐ I am over my preservation age and permanently retired from the workforce
- ☐ I have reached 60 years of age and since then ceased an employment arrangement
- ☐ I have been declared totally and permanently disabled
- ☐ I am aged 65 or over

Please continue over page



3. Transfer details

To transfer monies into your Mercy Super Income account, select from one or more of the options below as appropriate to you.

Note that a lifetime cap of \$1.6 million applies to how much you can transfer to a Post-Retirement Income account. There is no limit to how much can be transferred to a Pre-Retirement Income account.

	Full balance	OR	Other amount as specified
<input type="checkbox"/> Transfer your Super account to the Income account (specify if full balance transfer or other amount)*	<input type="checkbox"/>		\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="checkbox"/> Transfer your existing Income account to this Income account (specify if full balance transfer or other amount)*	<input type="checkbox"/>		\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="checkbox"/> Transfer monies from another super fund (total amount). Complete 'Transfer details' section below.	<input type="checkbox"/>		\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="checkbox"/> Transfer monies from Mercy Super to the Income account less the minimum amount required to keep your Super account active.*			

* A minimum of \$8,000 must remain in your Super account to keep it open.

Transfer details

If you are transferring monies from a fund other than Mercy Super, please provide the name of the fund from which each rollover will be paid.

Fund name	Approximate balance
<input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

4. Investment choice – Please use whole numbers only (no fractions)

Account balance instructions

☐ I would like my Income account to be invested in the following investment option or combination of options.

Investment options	Percentage
Growth	%
Balanced	%
Conservative	%
Stable	%
Cash	%
TOTAL	100%

Income payment instructions

I would like to (choose one option only):

☐ Draw down my income payments in priority order. You'll need to indicate in the table below the order of priority (1, 2 etc) you want your payments drawn from across all your investment options.

☐ Draw down my income payments according to percentage proportions. You'll need to indicate in the table below the percentage from each investment option you want your payments are drawn from.

☐ Draw down my income payments proportionally across my existing investment option allocation. No need to complete the table below.

Investment options	Priority Order	Proportional percentage
Growth		%
Balanced		%
Conservative		%
Stable		%
Cash		%
TOTAL		100%

Please continue over page



Select your payment frequency

☐ Fortnightly ☐ Monthly ☐ Quarterly* ☐ Half-yearly* ☐ Annually*

M M

☐ Minimum amount permitted OR ☐ Nominated amount* of \$, per period as indicated above

☐ Maximum amount permitted (Pre-Retirement Income account only)

Note:

- ## 6. Complete your payment details

NAME OF INSTITUTION

ACCOUNT NUMBER

[illegible]

OR

☐ Please use my bank account details from my existing Income account.

OR

OR

Please continue over page



8. Reversionary beneficiary nomination

Before you open your Income account, you can choose to nominate an eligible dependant as a Reversionary beneficiary. This means that if you die with money in your Mercy Super account, your dependant will continue to receive your Income payments (or have the option of cashing out your account balance as a lump sum), as long as he or she is eligible at the time of your death. **Once your Income account is open, you cannot change your Reversionary beneficiary.**

If you do not wish to nominate a Reversionary beneficiary (or your nominated beneficiary dies before you or ceases to be your dependant) you may make a binding death benefit nomination to determine which of your dependants (or your legal personal representative) the balance of your Income account is to be paid to and in what proportion.

If you wish to nominate a Reversionary beneficiary please provide their details below.

SURNAME		GIVEN NAME/S	
<input type="text"/>		<input type="text"/>	
DATE OF BIRTH		RELATIONSHIP TO YOU	
<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		<input type="text"/>	

9. Attach proof of identity

For identification purposes, you **MUST** attach a certified copy of either your driver's licence or passport (or acceptable alternatives).

Failure to provide appropriate proof of identification may result in delays in the processing of your payment(s).

10. Complete Tax File Number declaration

☐ I have completed and attached the *Tax File Number declaration* from the Australian Taxation Office (if under age 60).

11. Financial advice declaration

- ☐ I have obtained financial advice prior to completing this application, or
- ☐ I have completed this application without receiving any financial advice.

12. Sign the form

Your activation request will not be accepted unless you have signed this declaration.

By signing this form I:

- apply to activate my Mercy Super Income account
- have attached a completed *Tax File Number declaration* from the Australian Taxation Office (if under age 60)
- have attached a copy of the bank statement relating to the account nominated by me
- acknowledge that I have read and understood the Product Disclosure Statement and agree to be bound by it
- acknowledge that I have received all information I require in order to exercise the choices I have made
- accept that I will be bound by the provisions of the Trust Deed and rules which govern the operation of Mercy Super
- understand that my personal information will be handled by the Trustee to provide and manage my account. Without this information it may not be able to provide my super and choices. For this purpose, my personal information may pass between the Trustee of Mercy Super and its administrator, professional advisers, insurers, government agencies and other parties as required, including the Trustee of any other super fund that my account is transferred to
- consent to the handling of my personal information in this manner and as set out in the Mercy Super Privacy Policy. I can access my information by contacting Mercy Super's Privacy Officer
- acknowledge that if I have provided my email address and/or mobile number in this form, the Trustee may, at its discretion, use those details send information, including any marketing material, annual reports, member and exit statements and notices of any material changes or the occurrence of a significant events by electronic means.

SIGNATURE

 / /

DATE

Please send this completed form to:

Mercy Super, PO Box 8334, WOOLLOONGABBA QLD 4102



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Contact us

IN PERSON	Potter Building, Ground Floor, Mater South Brisbane Campus, South Brisbane QLD
MAIL	PO Box 8334, Woolloongabba QLD 4102
PHONE	1300 368 891 or 07 3163 8880
FAX	07 3163 2421
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WEB	mercysuper.com.au

The information in this document may change from time to time. Changes that are not materially adverse may be updated on Mercy Super's website mercysuper.com.au. A copy of any updated information can be obtained on request free of charge at any time by contacting the Fund on **1300 368 891** or **07 3163 8880**

