

Member notice

19 FEBRUARY 2021

This notice provides you with important information about changes to Mercy Super's Socially Responsible investment option, an update to the details for our 1 March 2021 Annual Members' Meeting and information relating to nominations for an upcoming Member Director vacancy.

Changes to the Socially Responsible investment option

Mercy Super established the Socially Responsible investment option in December 2007. This option was designed to provide members access to a balanced portfolio of investments within a responsible framework considering the environmental, social and ethical factors of underlying assets. To support this framework, member balances were wholly allocated to the AMP Capital Ethical Leaders Balanced Fund.

In recent times, there has been negative press surrounding AMP Capital stemming from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry as well as inappropriate culture within their senior management team. This contributed to several large superannuation funds withdrawing their investment from the fund requiring AMP Capital to place certain restrictions on future redemptions.

Furthermore, key staff responsible for the socially responsible characteristics of the fund have resigned from AMP Capital. These matters all bring into question the ability of this fund to meet its stated objectives and desired investment settings.

Given this, the Trustee had concerns over the ability of the AMP Capital Ethical Leaders Balanced Fund to continue to deliver on its initial goals. There are also concerns over the potential liquidity of the fund in the short-term which could put at risk our members ability to withdraw their allocation within this investment.

The Trustee has therefore determined that it is in the members' best interests to redeem the AMP Capital Ethical Leaders Balanced Fund investment as soon as possible and investigate other investment opportunities for the Socially Responsible option. This action was initiated on 15 February 2021.

What will happen to existing balances invested in the Socially Responsible option?

As an interim measure, the assets within the Socially Responsible option have been invested in existing investments with the same strategic asset allocation as Mercy Super's MySuper Balanced option. This was chosen as it is an existing investment strategy that closely matches the risk and return objectives and strategic asset allocation of the Socially Responsible option. From 16 February 2021 all future cashflow to the Socially Responsible option (contributions, transfers and any payments) will also be directed to an asset allocation aligned to the MySuper Balanced option.

This is intended to only be a temporary arrangement until the Trustee can research and implement a suitable structure including appropriate investment managers for the long-term support of the Socially Responsible option. This could take several months.

I currently have some of my super in this option. What are my options?

You will continue to have the flexibility to choose from any of the other investment options within Mercy Super with no buy/sell or transaction costs if you decide to switch your investment out of the Socially Responsible option. You can do this through Member Online or using the *Changing your investment options* form (available at mercysuper.com.au/information-hub or by contacting us).

What next?

The Trustee is currently researching a range of alternative investment managers and structures to support the long-term goals of the Socially Responsible option. We'll let you know once this is in place and the details behind the restructured option.

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Trustee election 2021

We're calling for nominations for Member Director

Trustee elections let you have a say in who is on your Trustee Board.

Mercy Super is the super fund established and run for our exclusive membership community. Throughout our history we have always put our members first.

One of the ways the Fund reflects the needs of our members is by having three of the seven directors of the Board of the Fund's Trustee, Mercy Super Pty Ltd (ABN 98 056 047 324), nominated and elected by the members themselves. These are known as Member Directors.

The term of office for one of our current Member Directors expires on 30 June 2021. Because of this, we're calling for nominations from members to run for this vacant position.

Deadline: Nominations close 15 March



If you are interested in being a Member Director or nominating someone, we encourage you to read the information provided at mercysuper.com.au/trusteeelection2021. Nominations close at 5pm on Monday, 15 March 2021.

If you have further questions about the process for appointing Member Directors, please contact the Company Secretary, Brad Hutchinson on **07 3163 8624** or by email brad.hutchinson@mercysuper.com.au

You'll find more information on the expectations and responsibilities of a Member Director, the nomination process and a nomination form at mercysuper.com.au/trusteeelection2021.

The nomination process



Before nominating a member, or being nominated yourself, you should read the information below on the nomination process, including who can be a Member Director. You should also read about what a Director does.

How it works

The first step in the election process is the call for nominations. If more than one candidate is nominated and approved by the Trustee, an election will be held. The newly elected Member Director will hold office for four years, commencing 1 July 2021.

The role of Member Director is a rewarding one. It offers the opportunity to enhance the financial wellbeing of your fellow members, however there are certain standards that need to be met to be eligible for these responsible positions.

You can be nominated as a Member Director if you:

- are a current member of Mercy Super
- are over 18 at the time of nomination
- don't currently work for Mercy Super (and haven't in the last six months)
- satisfy all requirements of the Trustee's Fit and Proper Policy and Procedures including not being disqualified from being a director and consent to relevant checks being conducted
- provide any other information or consents required which may include providing names of referees
- have approval to serve from your employer

Candidates must be nominated by a current Mercy Super member.

What does a Trustee Director do?

Being a Trustee Director of a superannuation fund is a responsible position. The principal responsibilities include:

- compliance with the terms of the Trust Deed and Rules
- ensuring members' rights are protected
- investment of the assets of Mercy Super
- ensuring that the Fund complies with legislative and regulatory requirements (including the Corporations Act 2001 which covers disclosure requirements and the Superannuation Industry (Supervision) Act 1993 which includes licensing and registration requirements for Trustees and superannuation schemes)

Trustee Directors can take advice and use the services of outside professionals, but the ultimate legal and decision-making responsibilities rest with them.

If elected you will be expected to engage in ongoing training to maintain and enhance your skills as well as attend meetings as required.

Trustee Directors are required to attend usually five Board meetings each year. Each meeting is typically held on a Monday and lasts around four hours (occasionally longer). The Board papers are typically in excess of 250 pages. They are generally issued a week prior to each meeting and need to be reviewed by the Trustee Directors prior to the meetings.

Trustee Directors may also be required to serve on one or more of the sub-committees of the Board. These also meet a similar number of times each year with meetings generally lasting up to four hours. Committee papers are also issued a week prior to these meetings.

In addition to time spent in meetings and preparation, each Trustee Director is required to complete at least 30 hours of relevant training each year.

If you have further questions about the process for appointing Member Directors, please contact the Company Secretary, Brad Hutchinson on **07 3163 8624** or by email brad.hutchinson@mercysuper.com.au

Join us at the Annual Members' Meeting – 1:00 pm on Monday 1 March 2021



All members are invited to join our Annual Members' Meeting which will be held at 1:00pm on Monday 1 March 2021. Directors from the Trustee Board and the Executive team, as well as the Fund's auditor and actuary will be on hand to provide an update on:

- How the Fund has performed over the last financial year
- Regulatory issues as they relate to your super
- What is planned for the current financial year

To ensure COVID-19 safe practices, the meeting will be held online (not in Mater's Des O'Callaghan Auditorium as previously advised). To register your attendance go to **mercysuper.com.au/annualmembersmeeting** or contact us.

We're here to help

If you have any questions about anything outlined in this Member Notice and the impact on your Mercy Super account, contact us on 1300 368 891.

Contact us

IN PERSON	Potter Building, Ground Floor, Mater South Brisbane Campus, Annerley Rd, South Brisbane QLD
MAIL	PO Box 8334, Woolloongabba QLD 4102
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FAX	07 3163 2421
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WEB	mercysuper.com.au

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Product Disclosure Statement for Super and Income accounts

Issued 1 October 2020



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This is the *Product Disclosure Statement for Super and Income accounts* (PDS). It provides you with a summary of significant information about these accounts and how they work. For more detailed information, you should refer to the *Super account guide*, *Income account guide*, *Your investment options guide* and the *Insurance in your super* guide obtainable from us or by logging in to Member Online at mercysuper.com.au. **These other documents form part of this PDS and you should consider all of the information provided before making a decision about the Super or Income accounts.** The information in this PDS 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.

Issued by Mercy Super Pty Ltd (ABN 98 056 047 324, AFSL 418976) Trustee of Mercy Super (ABN 11 789 425 178)
MySuper Authorisation: 11 789 425 178 832 SPIN: MES0002AU Unique Super Identifier (USI): 11 789 425 178 001
PO Box 8334, Woolloongabba, QLD 4102
Telephone: 1300 368 891 or 07 3163 8880 Website: mercysuper.com.au

Always
for *you*

1. About 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 who make up our membership community.

Importantly, you can continue to enjoy the care and support provided by Mercy Super through every stage of your life's journey. You can take your Super account with you from job-to-job and as you enter into your retirement years access your super through your Income account.



Our Super account is designed to help you save for retirement during your working years.



The next step is our Pre-Retirement Income account, which allows you to ease into retirement while you're still working – either to boost your super or cut back on your working hours without reducing your take home pay. Once you've fully retired, our Post-Retirement Income account gives you the ability to draw a regular income in a tax-friendly environment.

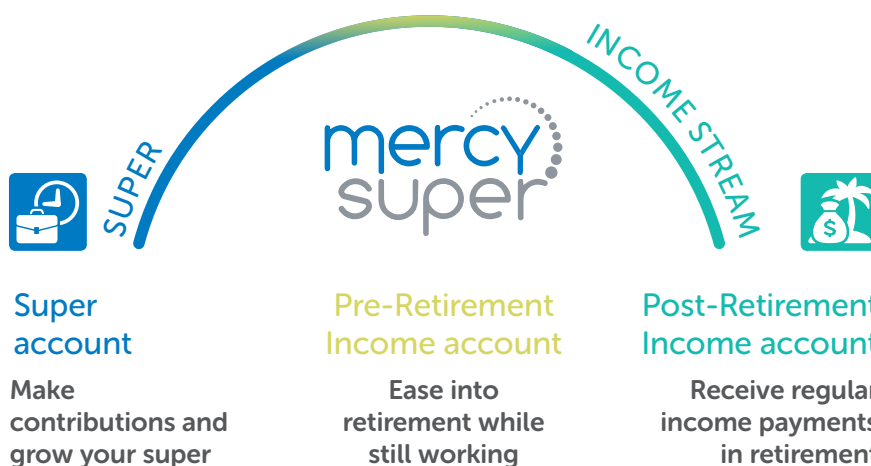


What can you do now?

If you've just started with Mercy Super, get in touch to talk to us one-on-one to make sure you are getting the most out of your super. Simply drop by for a chat, call us on **1800 368 891** or send us an email to information@mercysuper.com.au

While you're working

While you're in retirement



Mercy Super offers a MySuper product for Super account members which includes our MySuper Balanced investment option, as well as a range of other investment options.

Find out more about Mercy Super at mercysuper.com.au, including our product dashboard for our MySuper Balanced option, investment information, trustee and executive remuneration and other important Fund information.



Keep track of your super 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 and insurance cover



See your transaction history, including contributions



View and switch your investments



Search for and consolidate your other super



Calculate the estimated income you will enjoy in retirement

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

2. How super works

Superannuation (super) is a compulsory form of investment that helps you save for retirement. It's a long-term investment and the more super you have, the more comfortable you're likely to be in retirement.

To encourage people to save, the Government provides you with incentives such as the co-contribution scheme and tax savings for money you invest in your super.

Generally, if you're working and earn more than \$450 a month, your employer must make contributions into a super fund for you. This is known as the Superannuation Guarantee (SG). Many people can choose which fund their SG contributions are paid into. However your super fund may be determined by the terms of your employment.



You can top up your Super account by making extra contributions from your before-tax salary (known as salary sacrifice) or after-tax salary. You can start, change or stop making extra contributions at any time, but there are some limits to how much you can add into your Super account each year.



TIP: Getting your contribution strategy right is a key part of building your retirement savings. We can help you set up a strategy based on your personal circumstances. It's part of the personal service we provide. Contact us and we'll help you get the most out of your super.



If you're thinking about retirement, whether you're looking at transitioning or full retirement, our Income accounts are a great option to consider. Your money stays invested in a tax-friendly environment while you withdraw income payments. And, once you turn 60 and meet eligibility requirements to access your super, any withdrawals you make (including regular payments) are tax-free.

Consolidating your super

You can consolidate money you have in other super funds into your Super account. This is a great way to simplify your super and ensure you're paying only one set of fees. To find out more, read the *Super account guide*, or you can consolidate your super online by logging in to Member Online at mercysuper.com.au.

Accessing your super

Since the purpose of super is to help you build retirement savings, you generally can't access your money until you reach your preservation age which is between 55 and 60 depending on your date of birth. There are some special circumstances where your super can be accessed earlier. More information can be found in the *Super account guide*.



Before making a decision, you should read the important information about contributions and accessing your super in the *Super account guide* and important information about payments and tax in the *Income account guide*, available at mercysuper.com.au or by calling us on **1300 368 891**. Please be aware that information may change between the time you read this PDS and the day when you acquire this product.

3. Benefits of investing with Mercy Super's Super and Income accounts

You can enjoy the care and support provided by Mercy Super through every stage of your life's journey. We're here for you during your working life and through your transition into retirement and beyond.

The benefits you will enjoy as part of our membership community include:



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.



Death and Disability insurance cover options that adjust to your circumstances.



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

4: Risks of super

All investments carry risk and your super is no different. There are a number of risks to consider:

- Different investment options carry different levels of risk depending on the assets they're invested in.
- The value of investments will change and may rise or fall.
- The level of investment returns will change and future returns may differ from past returns.
- Investment returns are not guaranteed and you may lose some of your money.
- The level of return for each of the Fund's investment options will vary.
- Laws affecting super may change in the future.
- The amount of your savings in your Super account (including contributions and returns) may not be enough to provide adequately for your retirement.
- The level of investment risk may vary depending on a range of factors such as your age, investment time frames, what other investments you have and your risk tolerance.

Investments with a potential for higher long-term returns generally exhibit higher levels of short-term risk. This increases the likelihood of experiencing a negative return in any given year. Each of the four main asset classes – shares, property, fixed interest and cash – has different levels of risk and different potential for returns.



Before making a decision, you should read the important information about the risks of investing in the *Your investment options* guide, available at mercysuper.com.au or by calling us on **1300 368 891**. The information about the risks of super and investing may change between the time you read this PDS and the day when you acquire the product.

5. How we invest your money

Mercy Super offers you a choice of investment options. Each option carries a different level of risk depending on the assets which make up the option.



If you have a Super account and don't make an investment choice*, your money will automatically be invested in the MySuper Balanced option (our default investment option).



For Income account members, you'll need to choose your investment option/s when you activate your Income account.

Mercy Super's investment options

	Super accounts	Income accounts
Pre-mixed options	Growth	Growth
<i>Diversified mix of asset classes to provide different risk/return opportunities</i>	MySuper Balanced	Balanced
	Conservative	Conservative
	Stable	Stable
	Socially Responsible	
Asset class options	Australian Shares	
<i>Made up of specific asset classes</i>	International Shares	
	Cash	Cash



When deciding which investment option/s may be right for you, make sure you consider the likely investment return, risk and your investment time frame.

* If you're joining the Spouse category you will need to choose an investment option as part of your application for your membership to be accepted.

Making your investment choice

You can choose to have your account invested in one or a combination of our investment options.



For Super accounts, you can choose where you'd like to invest your account balance and future contributions you make to your account. To make your choice, you'll need to complete the investment choice section of the *New member options* form.



For Income accounts, you can 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 make your choice, you'll need to complete the investment choice section of the *Income account activation* form.

You can change your investment option/s for either Super or Income accounts at any time through your Member Online account at mercysuper.com.au.

Our default investment option

Let's take a closer look at the default investment option for Super accounts and a similar (although not default) option for Income accounts.

	Super accounts – MySuper Balanced (default) option	Income accounts – Balanced option
Overview	Invests in a diversified range of assets with a bias towards growth assets. Suitable for investors with a time frame of at least 10 years seeking returns above the rate of inflation over the long term	
Return objective	CPI + 3.5% over rolling 10 year periods	CPI + 4.0% over rolling 10 year periods
Probable frequency of negative annual return	3.99 in every 20 years	3.46 in every 20 years
Standard Risk Measure*	5. Medium to High	5. Medium to High
Strategic asset allocation (and ranges)		
Australian Equities	25.0% (16 – 36%)	21.0% (11 – 31%)
International Equities	24.0% (13 – 33%)	18.0% (8 – 28%)
Alternative Growth	6.0% (1 – 11%)	11.0% (6 – 16%)
Property	12.0% (7 – 17%)	12.0% (7 – 17%)
Infrastructure	12.0% (7 – 17%)	12.0% (7 – 17%)
Alternative Defensive	6.0% (1 – 11%)	9.0% (1 – 17%)
Australian Fixed Interest	6.0% (0 – 14%)	6.0% (0 – 14%)
International Fixed Interest	6.0% (0 – 14%)	6.0% (0 – 14%)
Cash/Enhanced Cash	3.0% (0 – 12%)	5.0% (0 – 13%)
Growth/Defensive assets	<div> <div></div> <div>70% Growth</div> <div>30% Defensive</div> </div>	<div> <div></div> <div>66.5% Growth</div> <div>33.5% Defensive</div> </div>
Currency Exposure	17.5% (5 – 25%)	17.5% (5 – 25%)

*The Standard Risk Measure is based on an industry standard designed to allow members to compare how often different investment options would be expected to deliver a negative annual return over any 20-year period. For more information about the Standard Risk Measure refer to the *Your investment options* guide.

We also offer a range of other investment options. For more information on our range of options, refer to the *Your investment options* guide available from mercysuper.com.au.



From time to time we may make changes to the investment options. You will be notified of any significant changes. Before making a decision about investing your super, you should read the important information in the *Your investment options* guide available at mercysuper.com.au or by calling us on 1300 368 891. The information about how we invest your money may change between the time you read this PDS and the day when you acquire the product.

6. Fees and costs



DID YOU KNOW?

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

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

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

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 other costs

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

Taxes, insurance fees, 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 MySuper product and investment option offered by Mercy Super are set out in the *Super Account Guide and Income Account Guide*.

Type of fee	Amount	How and when paid	
Investment fee ¹ (estimated)	MySuper Balanced (Super account only)	0.840%	Deducted from investment earnings before unit prices are determined. It is not a direct charge to your account.
	Growth	0.887%	
	Balanced (Income account only)	0.854%	
	Conservative	0.777%	
	Stable	0.588%	
	Socially Responsible (Super account only)	1.334%	
	Australian Shares (Super account only)	0.493%	
	International Shares (Super account only)	0.624%	
	Cash	0.113%	
Administration fee ¹	0.25% p.a. (subject to a cap of \$600 per year)	Deducted from the balance of each Super and Income Account monthly	
Buy-sell spread	Nil	Not applicable	
Switching fee	Nil	Not applicable	
Advice fees relating to all members investing in a particular MySuper product or investment option	Nil	See Additional explanation of fees and costs on page 6	
Other fees and costs ²	Activity fees may apply	See Additional explanation of fees and costs on page 6	
Indirect cost ratio ¹	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.

2. Other fees and costs such as activity fees, advice fees for personal advice or insurance fees may apply. Refer to the relevant account guide available at mercysuper.com.au for further information on fees and costs.

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

Changes to our fees and costs

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

6. Fees and costs (continued)



A fee may be charged if you receive personal advice from our Mercy Super Financial Services Pty Ltd (ABN 61 164 582 389) on-site financial advisers. You may be eligible to have the cost of this advice deducted from your account. This will be agreed between you and your financial adviser and detailed in the Statement of Advice provided to you.

Example of annual fees and costs for our MySuper Balanced (Super accounts) and Balanced (Income accounts) options

The table below shows you how the fees and costs for our default investment option for Super accounts and a similar (although not default) option for Income accounts can affect your super investment over a one-year period. You can use this table to compare our super products with other super products.

Super accounts	
Example - MySuper Balanced	Balance of \$50,000
Investment fees for MySuper Balanced - 0.840%	For every \$50,000 you have in MySuper Balanced, you will be charged \$420.00 each year
Plus Administration fees - 0.25% p.a. (subject to a cap of \$600 per year)	And , you will be charged \$125 in administration fees each year
Plus Indirect costs – 0%	\$0
Equals Cost of MySuper Balanced product	If your balance was \$50,000, then for that year you will be charged fees of \$545.00 for the MySuper Balanced option
Income accounts	
Example - Balanced	Balance of \$50,000
Investment fees for Balanced - 0.854%	For every \$50,000 you have in MySuper Balanced, you will be charged \$427.00 each year
Plus Administration fees - 0.25% p.a. (subject to a cap of \$600 per year)	And , you will be charged \$125 in administration fees each year
Plus Indirect costs – 0%	\$0
Equals Cost of Balanced product	If your balance was \$50,000, then for that year you will be charged fees of \$552.00 for the Balanced option



Before making a decision, you should read the important information about fees and costs (including performance fees as well as definitions and explanations of fee types) in the fees and costs section of the *Super account guide* or *Income account guide*, available at mercysuper.com.au or by calling us on **1300 368 891**. The information about fees and costs may change between the time you read this PDS and the day when you acquire the product.

7. How super is taxed

While super is generally taxed at a lower rate than most other investments, the following tax may apply:

1. When contributions are made to Super accounts

Your employer contributions (including SG) and any salary sacrifice amounts are taxed at 15%[#] when credited to your account.

2. On investment earnings

Investment earnings for Super accounts and Pre-Retirement Income accounts are taxed at up to 15% before they're credited to your account. For Post-Retirement Income accounts, investment earnings are tax-free.

3. If you withdraw a benefit before age 60

Any applicable tax will be deducted and paid directly to the Australian Taxation Office. Once you turn 60, withdrawals from your Super and Income accounts are generally tax-free.



You should provide us with your Tax File Number (TFN) when you open a Mercy Super account. If you don't, you may pay more tax than you need to when you make contributions or access your benefit. We also won't be able to accept personal contributions from you without it. By providing us with your TFN and your search consent, we can help you search for any lost super you have.

Tax on contributions

The Government has set limits on how much money you can contribute to your super account each year. You could end up paying extra tax if you exceed these caps.

1. Before-tax contributions

Before-tax contributions are taxed at 15%[#] up to a contribution limit of \$25,000 per year. Contributions over \$25,000 will be taxed at your personal tax rate plus an interest charge unless you ask the fund to release the amount over the limit.

2. After-tax contributions

After-tax contributions of up to \$100,000 per year are tax free if your total super balance (all your accounts) is less than \$1.6 million.

If you're under age 65 and you contribute more than \$100,000, you can trigger the 'bring forward rule' which allows you to contribute up to \$300,000 over a three-year period. Depending on your total super balance, if you contribute more than this amount, you will be taxed at 49% on the excess, unless you ask your fund to release the amounts over the limit.

[#]If your adjustable taxable income (including salary sacrifice contributions) for a financial year is greater than \$250,000, your before-tax (employer and salary sacrifice) contributions in excess of \$250,000 (contributions plus taxable income) will be subject to an additional 15% tax, effectively meaning you pay 30% tax on those contributions.

Death benefit

Lump sum death benefits paid to dependants (as defined for tax purposes) are tax free. If paid to a non-dependant, part of the benefit will be taxed.



Before making a decision, you should read the important information about tax in the *Super account guide* or *Income account guide*, available at mercysuper.com.au or by calling us on **1300 368 891**. The information about how super is taxed may change between the time you read this PDS and the day when you acquire the product.

8. Insurance in your super (Super accounts only)



Like many Australians, you probably have your home and car insured. But what about your most important asset – you? Insurance cover gives you peace of mind that you and your family are covered if disaster strikes.

When you first join Mercy Super, or first meet the age and account balance eligibility conditions (age 25 or over and the balance in your Mercy Super account is at least \$6,000), you may be provided with our standard cover package that includes Death and Disability insurance (if eligible), without the need to provide medical evidence (see important information below). The standard cover package provides either salary-based or unit-based cover subject to eligibility.

The table right shows a summary of the insurance provided as part of your standard cover package:

	Death cover*	Disability cover	
		Income Protection	Total & Permanent Disablement (TPD)
Benefits	Provides a lump sum benefit to your beneficiaries should you die before age 65	Provides a monthly benefit for a period of time should you be unable to work due to sickness or injury before age 65, with a benefit period of up to 5 years and a waiting period of 60 days	Provides a lump sum benefit to you should you become permanently disabled before age 65, either due to injury or illness
Salary-based	Up to 11 times your salary [#] (depending on your age)	Made up of an income replacement benefit of up to 85% of salary for the first two years (50% of salary for claim payments after two years), plus a super contribution of 10% of salary	Up to 7 times your salary plus \$20,000 to \$60,000 [^] (depending on your age)
Unit-based	Fixed amount ranging from \$31,000 to \$475,000 (depending on your age)	Fixed amount (depending on your age) of up to \$3,750 per month made up of an income replacement benefit of up to \$3,355 for the first two years (\$1,974 for claim payments after two years), plus a super contribution of up to \$395 per month	Fixed amount ranging from \$20,000 to \$300,000 (depending on your age)

* Terminal Illness cover is also provided. If you have TPD cover, the Terminal Illness cover amount is equal to the lesser of your Death or your TPD cover amount. If you have Death only cover the Terminal Illness cover amount is equal to your Death cover amount.

Members aged between 15 and 24 who opt-in to standard insurance cover will be provided with fixed Death cover of \$50,000.

[^] Eligible members aged between 60 and 64 are provided with fixed TPD cover of \$20,000, subject to eligibility conditions.



Important information

- If you are under 25 or have less than \$6,000 in your account when you first join Mercy Super, the standard cover package will not be provided automatically but you may be eligible to opt-in to receive cover without underwriting. Conditions apply.
- If you don't opt-in the standard cover package will be provided automatically after you have met the age and balance eligibility criteria.
- If you are not employed by an eligible employer or joining outside of the standard eligibility requirements, the standard cover package will not be provided automatically. You will need to apply for insurance cover which will be provided on acceptance by the Fund's insurer, after assessment of appropriate medical evidence.

Before making a decision about your insurance cover you should read the information contained in the *Insurance in your super* guide available at mercysuper.com.au or by calling us on **1300 368 891**.

The guide provides details about eligibility conditions and exclusions, as well as cancellation of insurance cover. The information about insurance in your super may change between the time you read this PDS and the day when you acquire the product.

How much will I pay?

The amount you pay for your standard cover package will be deducted from your Super account and will depend on your age and the level of cover you have. For Death cover, the annual premium ranges between \$0.189 (ages 25-29) and \$3.205 (age 64) per \$1,000 of cover. For Income Protection cover, the annual premium ranges between \$3.98 (age 15) and \$61.97 (age 60) per \$1,000 of cover, and for TPD cover the annual premium ranges between \$0.094 (ages 15-22) and \$8.631 (age 64) per \$1,000 of cover.

How can I make changes to my insurance?

It's easy to make changes to your insurance cover. **You can reduce or cancel your insurance cover at any time.** You can also apply for additional cover or vary your standard cover. To be eligible for additional voluntary Death and TPD cover, you need to maintain standard cover.

To make changes to your cover, complete and return the *Adjusting your insurance cover* form available at mercysuper.com.au or by calling **1300 368 891**. Any extra cover will be subject to assessment and acceptance by the Fund's insurer.

You can also cancel part or all your cover by logging in to your account through **Member Online**.

Are there any eligibility criteria or exclusions?

All insurance cover provided by Mercy Super is subject to eligibility conditions and criteria. This means you may not be eligible for cover or to have a benefit paid (for example, if you have previously been paid a TPD benefit).

You should read the information about eligibility criteria and exclusions in the *Insurance in your super* guide available at mercysuper.com.au before you decide whether insurance is appropriate, as it may affect your entitlement to cover.



Once insurance cover has commenced, the premiums for insurance cover will be deducted from your Mercy Super account unless you cancel your cover or your cover is cancelled for other reasons.

If your account is (or becomes) inactive for a period of 16 months, your insurance cover with Mercy Super will be cancelled unless you make an election to opt-in.

9. How to open an account

Mercy Super is the default super fund for most new employees of Mercy Partners and other Sisters of Mercy organisations.

For Super account members, this means you'll automatically become a Mercy Super member once your employer gives us your details and after you've started work with them.

If you're a spouse of a Mercy Super member joining the Spouse category, you'll need to complete the *Spouse application* form to become a Mercy Super member.

Once you become a member of Mercy Super, we'll send you a welcome letter confirming your details. We'll also send the details you need to access your secure Member Online account.



TIP: Our on-site financial advisers can explain the options available within Mercy Super and help you set up a strategy based on your personal circumstances. It's part of the personal service we provide. Contact us and we'll help you get the most out of your super.

Opening an Income account



If you're a Mercy Super member, have reached your preservation age and have at least \$50,000 in super, then you may be eligible to activate your Income account.

To get started, visit mercysuper.com.au and download and complete the *Income account activation* form which is available in the *Income account guide*. You should complete this form to activate either a Pre-Retirement Income account or Post-Retirement Income account.

Note that there is a lifetime cap on how much super can be transferred to 'retirement phase' accounts 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.

Cooling-off periods

There's no cooling-off period that applies to the opening of a Super account. 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.

Enquiries or complaints

We exist solely to look after your best interests. If you ever have an enquiry or a complaint, contact us (details below) and we'll do everything we can to resolve your matter promptly and courteously.

You may also take your issue to the Australian Financial Complaints Authority (AFCA) at afca.org.au or on 1800 931 678.

Respecting your privacy

Mercy Super abides by the requirements of the Privacy Act (as amended) and the applicable Australian Privacy Principles and has a Privacy Policy that sets out in detail how we handle our members' personal information. To view the policy, go to mercysuper.com.au or contact us for a copy.

Keeping you up to date

From time to time there may be changes to the information contained in this PDS and the relevant guides. We'll notify you of any major changes that affect how your account works.

This PDS was up to date at the time of issue. We may change or update the information in this PDS from time to time. Where the change or update is not materially adverse, you can obtain this information by going to mercysuper.com.au. You can also access the latest PDS and guides (free of charge) at any time at mercysuper.com.au or by calling us on **1300 368 891**.

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