

# Product Disclosure Statement



Issued 1<sup>st</sup> January 2012, Version 4.0, for:

- » Super Solutions – Employer
- » Super Solutions – Personal

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## Contact Details

If you have any questions or would like a hard copy of this or the material incorporated by reference:

**Call us:** (08) 9480 3500 or 1300 99 85 42 (Country Callers)

**Fax us:** 08 9480 3501 **Email us:** [admin@walgsp.com.au](mailto:admin@walgsp.com.au)

**Jump online:** [www.walgsp.com.au](http://www.walgsp.com.au)

**Visit us:** Level 11, 105 St Georges Terrace, Perth, WA 6000.

This PDS provides a summary of the key information you need to make a decision. It includes links to additional information that is part of this PDS marked with a '!' . This important information should be read before making a decision to invest in this product. Links to additional information which do not form part of this PDS are marked with a '#'.

The information in this document is general information only and doesn't take into account your personal financial situation or needs. You may wish to consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

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## 1. About WA Local Super

The WA Local Government Superannuation Plan (WALGSP) is a leading industry fund run only to profit members. We've been looking after employees' super for over 25 years. Historically caring for employees in local government, we're now open to the general public.

With over 43,000 members and \$1.5 billion in assets, we know your super, and understand your retirement income needs. Economies of scale help us keep costs low, and flexible choices ensure you can tailor your super to your needs. We offer super and insurance for anyone eligible to contribute to super and income stream products for when you've retired or you're transitioning to retirement.

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## 2. How super works

Superannuation (super) is a way to save for your retirement, which is, in part, compulsory. It is one of the most advantageous forms of investment providing tax benefits for saving that are not available elsewhere. For most people super will be taxed at a lower rate than a similar investment outside of super. These tax savings are provided by the Government.

Most people can choose which super fund they'd like their super contributions paid into. If you want to choose your super fund, tell your employer by filling in a Standard choice form from the Australian Taxation Office (ATO) or from your employer.

In some cases your employer will decide which fund your super is paid into. If you don't (or can't) choose your super fund, your employer will put the money into a 'default' super fund, a fund nominated under an industrial award or by your employer.

### Contributions

There are many different types of contributions available; these are Employer Contributions, Voluntary Contributions, Government Co-contributions, Salary Sacrifice Contributions and Spouse Contributions. Some of these may have limitations on the amount you can contribute per annum before you may have to pay excess tax.

### Withdrawals

Generally, you can't access your super until you've reached preservation age.

**!** *You should read the important information about contributions, Government Co-Contribution, Salary Sacrifice and accessing your super before making a decision. Go to [www.walgsp.com.au/PDS.aspx](http://www.walgsp.com.au/PDS.aspx). The material relating to how super works may change between the time when you read this Statement and the day when you sign the application form.*

**#** *For more information about the rules applying to super see [www.ato.gov.au/individuals](http://www.ato.gov.au/individuals).*

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## 3. Benefits of investing with WA Local Super

Our superannuation product is simple, low-cost, flexible and available to anyone. We offer our members:

- |   |  |
|---|--|
| » Low Fees                                      | » Secure online access to account information 24/7 |
| » No entry fees, no hidden fees, no commissions | » Workplace site visits and seminars offered       |
| » Free retirement planning                      | » A range of investment options                    |
| » Flexible insurance cover                      |  |

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## 4. Risks of super

All investments carry some level of risk. Each of the Fund's investment options has a different risk/return trade-off, depending on how much of a certain asset class they're invested in. Generally assets with the highest level of returns over the long term, may also have the highest risk of losing money on a shorter term view.

When considering your investment in super, it is important to understand that:

- » The value of investment options will go up and down
- » Previous returns don't predict future performance as the level of the returns vary
- » The amount of future savings (including contributions and returns) may not be enough to provide adequately for your retirement;
- » Returns are not guaranteed; you may lose some of your money
- » Superannuation laws may change in the future
- » The level of risk appropriate for you will depend on age, investment time frame, where other parts of your wealth are invested, how comfortable you are at the possibility of losing some of your super in some years.

Other significant risks to your super include:

- » Inflation risk;
- » market risk;
- » currency exchange risk;
- » interest rates risk;
- » liquidity; and
- » security specific risk.

**!** You should read the important information about risks of investing before making a decision. Go to [www.walgsp.com.au/PDS.aspx](http://www.walgsp.com.au/PDS.aspx). The material relating to risks of investing may change between the time when you read this Statement and the day when you sign the application form.

## 5. How we invest your money

WALGSP has 11 different investment options these are:

- » Diversified High Growth
- » Diversified Moderate
- » Diversified Conservative
- » Australian Listed & Private Equities
- » Global Listed & Private Equities
- » Australian Listed Equities
- » Global Listed Equities
- » Sustainable Future
- » Property and Infrastructure
- » Bonds and Yield
- » Cash

The Fund's Socially Responsible Investment (SRI) option is the Sustainable Future Option. It differs from our other sector specific options, as it invests in companies that consider labour standards and environmental, social and ethical issues in how they grow and sustain their business.

**Warning:** Each one has a different level of risk and potential level of returns. You should consider the likely investment return, risk and your investment time frame when choosing which option to invest in. You can choose one option or a combination of different options. If you wish to switch investment options you can do so by filling in a 'Change in Investment Options' Form. Your first two switches each financial year are free. Any switches after that will cost \$50.00 per switch.

If you don't make a choice, your super will go into our Diversified Moderate option, which is summarised in the table below:

<b>Investment Return Objective</b>	<ul style="list-style-type: none"> <li>• To provide moderate growth whilst minimising the risk of a negative return in any one year.</li> <li>• To achieve a positive return over each 12 month period, while recognising the possibility that a negative return may occur once approximately every 12 years.</li> <li>• To achieve a return after tax and Investment Management Fees that exceeds CPI (i.e. inflation) by approximately 3% pa over rolling periods of 5 years or more.</li> <li>• To achieve a return that at least equals the performance of the top 25% of peer group funds, as measured by a recognised performance survey, over rolling three to five year periods.</li> </ul>			
<b>Description of Option</b>	<ul style="list-style-type: none"> <li>• This option is designed for members who are seeking a diversified portfolio, which invests predominately in growth assets and who are comfortable with a medium level of volatility in returns.</li> </ul>			
<b>Minimum Suggested Time Frame</b>	• 3 - 5 years	<b>Summary Risk Level</b>	• Moderate with a negative return expected to occur once every 12 years.	
<b>Mix of Asset Classes</b>	<b>Sector</b>	<b>Strategic Benchmark</b>	<b>Sector</b>	<b>Strategic Benchmark</b>
	Australian Shares	32.8	Bonds & Yields	10.9
	International Shares	21.2	Alternative Strategies	6.3
	Property / Infrastructure	24.0	Cash	4.8

**!** You should read the important information about investment options before making a decision. Go to [www.walgsp.com.au/PDS.aspx](http://www.walgsp.com.au/PDS.aspx). The material relating to how we invest your money may change between the time when you read this Statement and the day when you sign the application form.

## 6. Fees and costs

<b>Consumer Advisory Warning</b>
<p><b>Did you know?</b></p> <p>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 fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (e.g. Reduce it from \$100,000 to \$80,000).</p> <p>You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.</p> <p><b>To find out more</b></p> <p>If you would like to find out more or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (<a href="http://www.moneysmart.gov.au">www.moneysmart.gov.au</a>) has a superannuation fee calculator to help you check out different fee options.</p>

### Main fees and costs for Diversified Moderate option

This section provides summary information about the main fees and costs for our Diversified Moderate option. Similar information is included in other PDSs so you can compare WALGSP fees and costs with those for other funds. These fees and costs are maximum amounts – you may pay less in some cases.

TYPE OF FEE OR COST	AMOUNT
<b>Fees when your money moves in or out of the Fund</b>	
Establishment Fee	Nil
Contribution Fee	Nil
Withdrawal Fee	\$75.00
Termination Fee	\$75.00
<b>Management Costs</b>	
The fees and costs for managing your investment.	Administration Fee - \$1.20 per week (\$62.40 p.a). Investment Management Fee – 1.17%

Fees and costs related to investment costs are deducted from your investment earnings before the earnings are added to your account. Fees and costs related to administration of your account are deducted directly from your account before earnings are added and the amounts will be shown on your annual account statement.

### Example of Annual Fees and Costs

Other funds use the same example as the one below so you can compare fees and costs.

Diversified Moderate Investment Option		Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution Fees	Nil	For every \$5,000 you put in you will be charged \$0.
<b>PLUS</b> Management costs	1.17% + \$62.40	And, for every \$50,000 you have in the Fund you will be charged \$585 each year plus \$62.40 in Administration Fees regardless of your balance.
<b>EQUALS</b> Cost of Fund		If you put in \$5,000 during a year and your balance was \$50,000 then for that year you will be charged a fee of: <b>\$647.40*</b> What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.**

\* Additional fees may apply \*\* The wording in this section is prescribed by law and fund fees are not negotiable.

### Other fees and costs

There are other fees and costs for this option and for the product. Keep in mind that the level of fees and costs can change. The fees and costs for our other investment options are different.

### Notification of Fee Changes

We really don't like increasing our fees. But if we have to, we'll let you know 30 days before we do so.

### Transactional and operational costs

Transactional and operational costs include brokerage, settlement expenses, stamp duty, risk analysis and legal due diligence. These costs arise when investments are bought and sold and can vary each year between nil and 0.30%, depending on how many and how often assets are bought and sold. All costs are absorbed at the time the asset is bought or sold as part of the total cost of the asset. These expenses are an amount that can be paid to either the product issuer or an external investment manager or both. Transactional and operational costs are passed on as an additional cost to members.

### Member Protection

If your account balance falls below \$1,000, we won't charge you any fees or charges in excess of investment earnings. That way, your account balance won't be eaten away by fees. If earnings are negative, a maximum fee of only \$10.00 will be deducted from your account. Unfortunately, we still need to deduct Government taxes and insurance premiums from your account.

**!** You should read the important information about fees and costs before making a decision. Go to [www.walgsp.com.au/PDS.aspx](http://www.walgsp.com.au/PDS.aspx). The material relating to fees and costs may change between the time when you read this Statement and the day when you sign the application form.

## 7. How super is taxed

Super is generally taxed on contributions, investment earnings and upon withdrawal (depending on your age). WALGSP will pay the tax applying to your account directly to the Australian Tax Office and deduct this tax from your account balance.

The following tax rules apply except if you exceed the before or after-tax contribution limits. If you exceed the contribution limits for super you will pay extra tax.

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|--|---|
| <ul style="list-style-type: none"> <li>» <b>Contributions into your super that are made before tax</b> are taxed at 15% and</li> <li>» <b>Contributions into your super made from your after-tax savings</b> are not taxed, subject to contribution caps.</li> </ul> | <ul style="list-style-type: none"> <li>» <b>Withdrawals</b> from your account may be taxed if you are aged less than 60. Once you turn 60, generally no tax will apply to withdrawals.</li> <li>» <b>Investment earnings</b> are generally taxed at 15%.</li> </ul> |
|--|---|

**Warning:** If you exceed your contribution cap limits, your contributions will be subject to excess contributions tax, meaning these contributions will be taxed at 46.5%. Please also make sure we have your tax file number. Otherwise the ATO will make us deduct 46.5% on all your concessional contributions and we won't be able to accept any non-concessional contributions from you. It will also be more difficult to find any lost super amounts in your name.

**!** You should read the important information about tax and super before making a decision. Go to [www.walgsp.com.au/PDS.aspx](http://www.walgsp.com.au/PDS.aspx). The material relating to how super is taxed may change between the time when you read this Statement and the day when you sign the application form.

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## 8. Insurance in your super

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The Fund offers you three types of insurance, Death only, Death and Total & Permanent Disablement (TPD) and Income Protection (IP), to help you and your family manage financially in the event of your death and or disablement due to illness or injury:

- » **Death:** In the event of your death while you're a member of the Fund, a lump sum amount may be paid to your dependants.
- » **Total & Permanent Disablement (TPD):** In the event of your disablement while you're a member of the Fund, a lump sum amount may be paid to you or your dependants.
- » **Income Protection:** This insurance helps to protect your income and provides you with a monthly amount based on a percentage of your salary, if you're unable to work due to illness or injury and satisfy the conditions for a total or partial disability benefit.

### Default insurance cover

If you meet the required eligibility criteria, you will automatically receive default cover for Death and TPD and Income Protection.

Default Cover Type	Level of Cover	Cost of Cover
Death and TPD	<ul style="list-style-type: none"><li>• 3 units</li></ul>	\$3.00 per week
Income Protection	<ul style="list-style-type: none"><li>• 50% of pre-disability salary</li><li>• 90 day waiting period</li><li>• 2 year benefit payment period</li></ul>	\$1.44 per week

These premiums will be automatically deducted from your super account until you notify us otherwise.

### Additional insurance cover for your needs:

If you need additional insurance cover greater than the default cover provided you must complete an Insurance Application or Variation form specifying the type of cover you want and how much you need, subject to you meeting the required eligibility criteria.

There are costs associated with insurance cover which will be paid out of your super account balance. The premiums will be automatically deducted from your account and differ depending on your level of cover, age, gender and occupation. If you choose a level of cover other than Basic or Fixed Cover we use your salary as last advised to us (Declared Salary) to work out your premiums.

If you do not wish to have insurance cover, please contact the Fund. If you want to change or cancel your cover complete the 'Insurance Application or Variation form' or 'Insurance Cancellation Form' respectively.

**Warning:** Unless you have declined to acquire default insurance cover or have cancelled your existing cover, the cost of that cover will continue to be deducted from your account.

Information about eligibility, cancellation, any conditions and exclusions that apply, the level and type of optional insurance cover available, the actual costs of such optional cover and any other significant matters in relation to such cover is contained in the Death and Total & Permanent Disablement and Income Protection fact sheets.

These matters may affect your entitlement to insurance cover and therefore the Death and Total & Permanent Disablement and Income Protection fact sheets should be read before deciding whether insurance is appropriate for you.

**!** *You should read the important information about insurance before making a decision. Go to [www.walgsp.com.au/PDS.aspx](http://www.walgsp.com.au/PDS.aspx). The material relating to insurance in your super may change between the time when you read this Statement and the day when you sign the application form.*

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## 9. How to open an account

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To join Super Solutions you will need to follow these steps:

1. Read this PDS and the other important information referred to in the PDS
2. Complete the Application for Member form included with this PDS or available from our website at [www.walgsp.com.au](http://www.walgsp.com.au).
3. You or your employer can then start to make regular and/or ad hoc payments into your account.

A 14 day cooling-off period applies, during which time you can cancel your membership or transfer to another fund without penalty. To cancel your membership, just write and let us know. Your original investment will be refunded with adjustments for any increase or decreases in the value of the investments and applicable tax. If your super contains any preserved money, we have to roll these amounts into another complying super fund. So, you'll have to let us know of your preferred fund within 10 days.

### Resolving Complaints

The Plan aims to provide the highest level of service to you at all times. However, if you have a complaint about the services provided contact the Plan Administration Manager on (08) 9480 3500 or 1300 99 85 42. If your complaint is not satisfactorily resolved within five working days using this method, you can write to the Complaints Officer at WA Local Government Superannuation Plan, PO Box Z5493, St Georges Terrace, Perth WA, 6831.

If you are still not satisfied with the outcome or have not heard from the Complaints Officer within 90 days, you have the right to contact the Superannuation Complaints Tribunal (SCT) 1300 884 114 or the Financial Ombudsman Service (FOS) on 1300 780 808. Both the SCT and FOS are a free service to you.

**!** *You should read the important information about resolving complaints before making a decision. Go to [www.walgsp.com.au/PDS.aspx](http://www.walgsp.com.au/PDS.aspx). The material relating to how to open an account may change between the time when you read this Statement and the day when you sign the application form.*



# SUPER SOLUTIONS APPLICATION FOR MEMBERSHIP

Please complete this form with a Black pen using BLOCK letters and send it to:  
WA Local Government Superannuation Plan, PO BOX  
Z5493 St Georges Tce, Perth WA 6831

Please fill circles like ● NOT like ⊗ ⊙

Date Stamp (Internal Office Use Only)

→ This form is for new members. A new member is to complete this Application Form to gain acceptance and admission to the Fund. If you are already a member and wish to change your details, then please use the Change in Details Form (available from www.walgsp.com.au).

## Section 1 Your current personal details

Surname  
[Grid for Surname]

Given name(s)  
[Grid for Given name(s)]

Date of birth  
[Grid for Date of birth] Mr  Mrs  Ms  Miss

Contact Details NB: Residential address must be provided

Residential Address  
[Grid for Residential Address]

Residential Address  
[Grid for Residential Address]

Suburb [Grid] State [Grid] Postcode [Grid]

Postal address if different from above:

Postal Address  
[Grid for Postal Address]

Suburb [Grid] State [Grid] Postcode [Grid]

Home Phone incl. area code e.g. 0812345678 [Grid] Phone (Day) [Grid]

Mobile [Grid]

Email  
[Grid for Email]

Yes I would like to receive all communications and documents electronically (where legally possible).

### Tax Details

Supplying your Tax File Number (TFN) to the Fund is optional. Before you decide whether to provide your TFN, we are required to notify you of the following information:

- The Trustee is authorised under the Superannuation Industry (Supervision) Act 1993 to collect your TFN.
- Your TFN is confidential and it is not compulsory to provide it. However, if you choose not to provide it now or later, you may have to pay significantly more tax on your contributions than you should, we may not be able to accept certain types of contributions and each withdrawal you make will be subject to tax at the highest marginal tax rate. It may also prove more difficult to locate or transfer in any benefits due to you, without your TFN.
- If you do choose to provide your TFN, it will only be used for lawful purposes. These include finding or identifying your super where other information is insufficient, calculating any tax payable on contributions or payments provided and providing information to the ATO. These purposes may change in the future due to legislative requirements.
- If you provide your TFN, the Trustee may then also provide your TFN to the Trustee of any other super fund provider, to which your benefits may be transferred in the future, unless you advise us in writing not to do so. Your TFN will not be provided to any other party or individual.

Please enter TFN [Grid]



## Section 2 Your investment options

As a new member, you can invest your contributions (which includes any money you transfer in from other super funds) into any number of the eleven investment options at one time.

**If you do not make a choice, all of your contributions will automatically be invested in the Fund's default investment strategy, the Diversified Moderate option, until you notify us otherwise.**

To change your selection in the future or to nominate a different investment strategy for your contributions and your account balance, simply complete an Investment Options Form. Before nominating your investment option(s), you may wish to seek professional advice.

**Please invest my contributions according to the following percentage splits:**

Diversified options	% Amount
Diversified High Growth	<input type="text"/> <input type="text"/> <input type="text"/> %
Diversified Moderate	<input type="text"/> <input type="text"/> <input type="text"/> %
Diversified Conservative	<input type="text"/> <input type="text"/> <input type="text"/> %
<b>Sector-specific options</b>	
Australian Listed and Private Equities	<input type="text"/> <input type="text"/> <input type="text"/> %
Global Listed and Private Equities	<input type="text"/> <input type="text"/> <input type="text"/> %
Sustainable Future	<input type="text"/> <input type="text"/> <input type="text"/> %
Property and Infrastructure	<input type="text"/> <input type="text"/> <input type="text"/> %
Bonds and Yield	<input type="text"/> <input type="text"/> <input type="text"/> %
Cash	<input type="text"/> <input type="text"/> <input type="text"/> %
Australian Listed Equities	<input type="text"/> <input type="text"/> <input type="text"/> %
Global Listed Equities	<input type="text"/> <input type="text"/> <input type="text"/> %
<b>Total (must = 100%)</b>	<input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 0 %

**Please ensure the total of your selection adds to 100%**

## Section 3 Your insurance

Default cover is provided to all members who are eligible for cover and meet the conditions for Automatic Acceptance. See the Product Disclosure Statement for details.

The tables below details the level of default cover and cost.

Death and Total Permanent Disability			Income Protection	
Age next birthday	Level of Cover	Cost of Cover	Level of Cover	Cost of Cover
Up to 30	\$228,000	\$3.00 per week	50% of pre-disability salary 90 day waiting period 2 year benefit payment period	\$1.44 per week
31-35	\$185,100			
36-40	\$147,000			
41-45	\$84,000			
46-50	\$42,000			
51-55	\$21,000			
56-60	\$11,700			
61-65	\$5,700			
66-70*	\$3,900			

\*Activities of Daily Living definition applies to Total Permanent Disability cover

If the level of default cover provided in the tables above does not meet your needs you can apply to increase your level of cover.

If you would like to change your level of cover or cancel your insurance, or transfer existing insurance from elsewhere, or you are unsure, you need to notify us and we will contact you. Just fill in the circle below and we will be in touch. If you already know what increased level of cover you would like you can complete the Insurance Application or Variation form which is available on our web site at [www.walgsp.com.au](http://www.walgsp.com.au)

**Yes I would like to change my level of insurance, transfer or cancel insurance, please contact me.**

## Section 4 Transferring other super or lost super into the Fund

We offer a free service to assist members to consolidate multiple super accounts into one. If you would like to take advantage of this service, just fill in the circles below and we will be in touch.

Yes I would like assistance to consolidate all of my super.

Yes please use my TFN and other details to check if I have any lost super listed with the Australian Tax Office.





## Section 7 Personal acknowledgement and declaration

- I declare that all information provided by me on this form is correct. I acknowledge that I have considered all information contained in the Product Disclosure Statement, before making any decisions and understand the terms of my membership.
- I acknowledge that, in signing this Application for Membership Form, that I will be bound by the Trust Deed and Rules in all respects.
- I understand that the benefits of the Fund are not guaranteed, the value of investments may rise and fall and that I may not get back the amount originally invested due to the deduction of applicable tax, insurance premiums and administration fees. I further acknowledge that the Trustee has not made specific recommendations concerning membership, investment or insurance options.
- I acknowledge that if I am uncertain as to the most appropriate investment strategy for my personal needs that I should seek professional financial advice from a licensed financial adviser before deciding upon my investment option(s).
- I have read and understood the Fund's Privacy Statement contained in the Product Disclosure Statement.
- I understand that, when I terminate employment my insurance cover will continue for a period of 60 days. After this period, unless I notify the Trustee of my change in details I may be paying for cover that I am not eligible for.
- I understand the rules relating to the Fund's 14 day 'cooling off' period and acknowledge that I can either proceed with or cancel my application for membership during this time.
- I acknowledge by supplying my email address I will receive information regarding the Fund via email. I am able to unsubscribe at any time.
- I have read and understand the conditions relating to the nominating of death benefit beneficiaries as contained in the PDS.
- I understand the implications of providing my tax file number to the Trustee and have indicated my intentions on this form.
- **I have received a copy of the Fund's Product Disclosure Statement Version 4.0, January 2012.**

Signature of applicant

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Signature of Parent/Guardian if applicant Under 18 Years

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Date

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### For Office Use Only (Members please ignore this section)

Client Number

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Employer Number

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