



TelstraSuper RetireAccess Lifetime Pension

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Any updated information will be available on our website at telstrasuper.com.au or a copy of any updated information can be requested free of charge by calling us.

Glossary

To help you understand some of the capitalised terms used in this PDS there is a glossary on pages 35-37.

About this Product Disclosure Statement

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Telstra Super Pty Ltd ("Trustee", "we", "our" or "us") has a licence to deal in and provide general advice about superannuation products.

Telstra Super Pty Ltd ABN 86 007 422 522, AFSL 236709 is the trustee of the Telstra Superannuation Scheme ABN 85 502 108 833 (TelstraSuper) and the issuer of this PDS.

The TelstraSuper RetireAccess Lifetime Pension (referred to throughout this PDS as RetireAccess Lifetime Pension) is a complying pension in terms of superannuation law, and is designed as an 'innovative superannuation income stream'.

This PDS outlines the main features and benefits of RetireAccess Lifetime Pension. It also outlines the different payment options available and explains important concepts relating to these options to help you make your choice.

The information in this PDS is accurate at the time of preparation. Information that is not materially adverse may change from time to time and can be obtained from our website at telstrasuper.com.au or a copy can be sent to you free of charge by calling us.

We encourage you to read this PDS before making any investment decisions.

You should also refer to the relevant target market determination (TMD) for this product, available at telstrasuper.com.au/pds

You can find important information, including our Retirement Income Strategy Summary, Trust Deed, Annual Report, Annual Outcomes Assessment for Members and remuneration for executive officers at telstrasuper.com.au/about-us

TelstraSuper's relationship with Challenger

The money you invest in the RetireAccess Lifetime Pension is invested in a Life insurance policy (Policy) issued to the Trustee by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (referred to as Challenger Life or Challenger), a life company within the Challenger group of companies.

The benefits provided by the RetireAccess Lifetime Pension are supported by the Policy issued by Challenger Life, and not the Trustee. The Trustee will only pay members their income payments to the extent that the Trustee receives payment from Challenger Life. The Trustee, as issuer of the RetireAccess Lifetime Pension product, does not provide any guarantees in respect to the product and relies wholly on Challenger Life to fund your entitlements from the product.

Challenger Life is a registered life company under the Life Insurance Act 1995 (Cth) (Life Act), and is regulated by the Australian Prudential Regulation Authority (APRA). Investments go into a secure fund along with the investments received from other annuity investors. This is known as a 'statutory fund' (Statutory Fund), which Challenger Life is required to maintain under the Life Act. APRA monitors the Statutory Fund's investments, the aim of which is to ensure that Challenger Life can meet payment promises to investors. If at any time Challenger Life does not achieve investment returns that are sufficient to cover all the promises Challenger Life has made to annuity investors, Challenger Life must cover the shortfall from the money Challenger Life has invested in the Statutory Fund. The income Challenger Life agrees to pay to the Trustee on behalf of members is guaranteed to be payable for life.

Challenger Life is not an authorised deposit-taking institution for the purpose of the Banking Act 1959 (Cth), and its obligations do not represent deposits or liabilities of an authorised deposit-taking institution in the Challenger Group (Challenger ADI) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Challenger Life. Accordingly, unless specified otherwise, the performance, the repayment of capital and any particular rate of return on your investments are not guaranteed by any Challenger ADI.

References in this PDS to the 'RBA cash linked' payment option relate to the option to link your regular payments made by us to changes in the official cash rate target published by the Reserve Bank of Australia (RBA). Neither the Trustee nor Challenger are affiliated with the RBA, and this option is not endorsed by the RBA. More information about this option can be found in the PDS.

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About TelstraSuper and RetireAccess Lifetime Pension

The RetireAccess Lifetime Pension provides you with the security of a regular income throughout your retirement.

The Trustee manages around \$24 billion on behalf of TelstraSuper members. We are committed to providing competitive and cost-effective superannuation services to our members.

In retirement if you're looking for the certainty of a secure, regular income to last your lifetime, or an additional source of income to supplement your retirement income, a RetireAccess Lifetime Pension could provide significant benefits for you.

Simply open a RetireAccess Lifetime Pension account using superannuation money and then receive an income for the rest of your life*. You have flexibility to choose from a number of monthly payment options being either fixed, indexed to inflation, linked to changes in the Reserve Bank of Australia (RBA) cash rate or indexed to investment markets.

To apply for a RetireAccess Lifetime Pension and receive a regular income, you need to:

- be aged 60 or over, with unrestricted access to your super and are retired, intending to retire or are semi-retired, and
- have a minimum of \$10,000 to apply and have in place at the time of applying a:
 - TelstraSuper RetireAccess Retirement income stream with a balance of at least \$10,000 (excluding funds invested in the Direct Access option), or
 - TelstraSuper Corporate Plus or TelstraSuper Personal Plus account with a balance of at least \$10,000 (excluding funds invested in the Direct Access option), or
 - TelstraSuper defined benefit with a balance of at least \$10,000 in a Voluntary Accumulation Account (VAA) (excluding funds invested in the Direct Access option).

You are ineligible to apply for a RetireAccess Lifetime Pension if:

- you are under age 60, or
- are currently living in a residential aged care facility or have an Aged Care Assessment Team/Service (ACAT/ACAS) approval that specifies you are eligible to move into a facility
- are in ill health or have a terminal illness that would likely lead to a materially shorter life expectancy.

If you nominate a reversionary Spouse (referred to in this PDS as 'reversionary life insured') they must meet the legal definition of 'Spouse' for the purposes of superannuation and tax law.

Although you have to be aged 60 or over at the time of applying for a RetireAccess Lifetime pension, your reversionary life insured can be younger than 60 unless you choose the Flexible Income (Deferred payments) option (including the Enhanced Income (Deferred payments) option), in which case your nominated beneficiary must be 65 years or over at the time your application is accepted. See page 31 for further information on nominating a reversionary life insured.

You can only hold a maximum of 3 RetireAccess Lifetime Pensions at any time.

This product is unlikely to be suitable for you if you:

- are seeking regular access to partial or full lump sum withdrawals
- need to retain access to the capital investment that would be used to purchase the RetireAccess Lifetime Pension.

* Includes the lifetime of your Spouse if you have included them as a reversionary life insured.

Which payment option is right for you?

There are 3 payment options available under the RetireAccess Lifetime Pension providing you with flexibility and choice in how the income from your pension is paid to you for your lifetime.

Flexible Income (Immediate payments)

Choose this option if you want income certainty. You will receive Consumer Price Index (CPI)-indexed payments for life that start a month after Commencement.
Alternatively, you can ask to have payments fixed (so that they never change) or linked to changes in the RBA cash rate (so that they adjust up and down whenever the cash rate changes).

Page 6

Flexible Income (Deferred payments)

Choose this option if you want income certainty but you do not want payments to start immediately.
You will receive CPI-indexed payments for life that commence at a future time that you choose.
Alternatively, you can ask to have the deferred payments fixed (so that they never change) or linked to changes in the RBA cash rate (so that they adjust up and down whenever the cash rate changes).

Page 10

Flexible Income (Market-linked payments)

Choose this option if you want your payments linked to changes in investment markets. Your payments will be less predictable year to year because payments will be indexed up and down based on the performance of your chosen market index. You will receive payments for life that start a month after Commencement.

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At a glance summary

Important information about RetireAccess Lifetime Pension				
	Flexible Income (Immediate payments)	Flexible Income (Deferred payments)	Flexible Income (Market-linked payments)	Reference
Minimum purchase price	\$10,000	\$10,000	\$10,000	
Transfer balance cap	\$1,900,000*	\$1,900,000*	\$1,900,000*	
Payment frequency	Monthly	Monthly [^]	Monthly	
How long will the lifetime pension last?	For you or your Spouse's lifetime	For you or your Spouse's lifetime	For you or your Spouse's lifetime	Pages 6-18
Can the pension be deferred?	No	Yes	No	
Is anything payable on death?**	If you (and your Spouse if you have nominated them as a reversionary life insured) die within the withdrawal period, a lump sum payment will be made to the beneficiaries you nominate (or the beneficiaries your reversionary life insured nominates) or your estate [§]	If you (and your Spouse if you have nominated them as a reversionary life insured) die within the withdrawal period, a lump sum payment will be made to the beneficiaries you nominate (or the beneficiaries your reversionary life insured nominates) or your estate [§]	If you (and your Spouse if you have nominated them as a reversionary life insured) die within the withdrawal period, a lump sum payment will be made to the beneficiaries you nominate (or the beneficiaries your reversionary life insured nominates) or your estate [§]	Page 30
When do payments first commence?	The first payment is made a month after your RetireAccess Lifetime Pension starts	The first payment is made a month after the deferral period chosen by you ends	The first payment is made a month after your RetireAccess Lifetime Pension starts	
Additional contributions	You cannot add to your RetireAccess Lifetime Pension once it starts but you can start a new one with additional funds [#]	You cannot add to your RetireAccess Lifetime Pension once it starts but you can start a new one with additional funds [#]	You cannot add to your RetireAccess Lifetime Pension once it starts but you can start a new one with additional funds [#]	
Withdrawals	You can make a withdrawal within the withdrawal period that closes your RetireAccess Lifetime Pension [†] however, you cannot make partial withdrawals	You can make a withdrawal within the withdrawal period that closes your RetireAccess Lifetime Pension [†] however, you cannot make partial withdrawals	You can make a withdrawal within the withdrawal period that closes your RetireAccess Lifetime Pension [†] however, you cannot make partial withdrawals	Pages 6-18
Payment indexation	Payments can be indexed to changes in: • CPI • Partial CPI [†] • RBA cash rate No indexation option can also be chosen (i.e fixed payments)	Payments can be indexed to changes in: • CPI • Partial CPI [†] • RBA cash rate No indexation option can also be chosen (i.e fixed payments)	Payments can be linked to changes in one of: • Cash index • Conservative index • Conservative Balanced index • Balanced index • Growth index	Pages 6-18
Administration fee	Nil	Nil	Nil	
Fees and costs	Nil	Nil	Nil	Page 29
Enhanced Income option - removal of death and withdrawal benefit = higher starting payment	Available	Available	Available	Pages 6-18
Accelerated payment option	N/A	N/A	Available	Page 15
Estate planning	Flexibility to make a: • Reversionary life insured (Spouse) nomination, or • Binding or non-binding death benefit nomination (if you die within the withdrawal period (if applicable))			Page 30
Cooling-off period	Yes	Yes	Yes	Page 34
Tax on lifetime pension earnings	N/A	N/A	N/A	Page 27
Tax on pension payments	Nil (over age 60)	Nil (over age 60)	Nil (over age 60)	Page 27
Assessment under Centrelink's assets test and income test	Yes	Yes	Yes	Page 33

[^] Payments commence a month after the deferral period chosen by you ends.^{*} The amount of your transfer balance cap depends on your circumstances. For further information, please refer to the ATO website at www.ato.gov.au[#] You can have up to 3 separate RetireAccess Lifetime Pensions at any one time.[§] If you have chosen the Enhanced Income option you will forgo withdrawal period and death benefit which means there is no withdrawal value and a lump sum is not payable on your death or the death of your Spouse (if you have nominated them as a reversionary life insured).[†] The amount returned to you will decrease over the life of the withdrawal period. This means that you will not receive your full purchase price paid for your pension.[†] Regular payments will change annually in line with any increase in the CPI that is greater than 2%.^{**} For half of the withdrawal period, the death benefit will equal 100% of the purchase price. For the remainder of the withdrawal period the value of the benefit will reduce and will not exceed the maximum withdrawal value. After the withdrawal period ends, there is no death benefit payable.

How it works



Quotation and application

- obtain a quotation for your chosen payment option
- complete the application form and submit with a valid quotation



Money in

- one off super transfer or transfer from an existing TelstraSuper RetireAccess Retirement income stream account to purchase your lifetime pension



Money paid

- The Trustee pays your purchase price to Challenger and Challenger pays the Trustee your income payments, and the Trustee pays you



Money out

- monthly lifetime pension payment

Quotation

Obtaining a quotation is an important part of the application process as it sets out the starting income payments that will be paid to you, the length of your withdrawal period and the withdrawal and the death benefit available to you within the withdrawal period. A quotation is valid for 14 calendar days. The exception to this is where a member's birthday would occur within the 14-day period. In this instance the quotation will only be valid until the member's birthday.

At the time of purchase

At the time of purchase you need to have in place a:

- TelstraSuper RetireAccess Retirement income stream with a balance of at least \$10,000 (excluding funds invested in the Direct Access option), or
- TelstraSuper Corporate Plus or TelstraSuper Personal Plus account with a balance of at least \$10,000 (excluding funds invested in the Direct Access option), or
- TelstraSuper defined benefit with a balance of at least \$10,000 in a Voluntary Accumulation Account (excluding funds invested in the Direct Access option).

You must transfer funds to commence your RetireAccess Lifetime Pension from your RetireAccess Retirement income stream or your TelstraSuper Corporate Plus or TelstraSuper Personal Plus account or VAA.

When you purchase your lifetime pension

When you purchase a RetireAccess Lifetime Pension, the money is used by TelstraSuper to purchase a life insurance policy issued by Challenger Life.

Lifetime pension payments and options

Your RetireAccess Lifetime Pension pays a monthly income for your lifetime. There are 3 payment options you can choose from. Each option allows you to choose between a number of indexes to link your income payments to, as shown in the table below:

Flexible Income (Immediate payments) option	Flexible Income (Deferred payments) option	Flexible Income (Market-linked payments) option
Income payments will begin the month after your RetireAccess Lifetime Pension commences	This option allows you to defer the date when you start to receive your monthly payments	Income payments will begin the month after your RetireAccess Lifetime Pension commences
You will need to choose one of the following: <ul style="list-style-type: none">· CPI indexed, or· Partial CPI indexed, or· RBA cash rate linked, or· Fixed payments (no indexation)	You will need to choose one of the following: <ul style="list-style-type: none">· CPI indexed, or· Partial CPI indexed, or· RBA cash rate linked, or· Fixed payments (no indexation)	You will need to choose one of the following: <ul style="list-style-type: none">· Cash index, or· Conservative index, or· Conservative Balanced index, or· Balanced index, or· Growth index
You can choose the Enhanced Income option which means you forgo death and withdrawal benefits	You can choose the Enhanced Income option which means you forgo death and withdrawal benefits	You can choose the Enhanced Income option which means you forgo death and withdrawal benefits
		You can choose the Accelerated payment option to allow for an increased starting payment in exchange for lower future indexation.
You are unable to change your indexation choice after your RetireAccess Lifetime Pension has commenced	You are unable to change your indexation choice after your RetireAccess Lifetime Pension has commenced	You are able to make changes to this indexation choice. Each Commencement date anniversary you have the option to switch the market index your income payments are linked to. To switch payment options we must be notified no later than 14 calendar days prior to the Commencement date anniversary of the relevant lifetime pension.

Refer to section 5 - Payment options for more information.

Payment options

Flexible Income (Immediate payments) option

Snapshot

- Monthly payments continue for life (and your Spouse's life if you nominate them as a reversionary life insured).
- Payments start a month after the Commencement date.
- Payments can keep pace with inflation, be linked to the RBA cash rate or you can choose to have your payments stay the same throughout your lifetime.
- Monthly payments are tax free.
- 100% of your purchase price is repaid to your nominated beneficiaries or estate if you die within the first half of your withdrawal period. However, this does not apply if you choose the Enhanced Income option.
- It has a withdrawal value for a period based on your life expectancy – just in case your circumstances change and you no longer want an income for your lifetime. However, this does not apply if you choose the Enhanced Income option. If you die after the first half of the withdrawal period, the amount payable on your death reduces and will reduce to zero at the end of the withdrawal period.

The detail

Payments will be made monthly around the same day of the month for the rest of your life (and the rest of your Spouse's life if you have included them as reversionary life insured). Payments will be paid by electronic transfer to your bank, building society or credit union account.

How much income will I receive?

The summary

RetireAccess Lifetime Pension offers payments based on how long you are likely to live, the options you choose and current investment market conditions.

The detail

The quotation used to set up your RetireAccess Lifetime Pension sets out your monthly payment amount. Once your pension commences you will start to receive a regular income monthly for your lifetime (and the rest of your Spouse's life if you have nominated them as a reversionary life insured).

You can request a payment quotation by calling us on **1300 033 166**. Quotations are generally valid for 14 calendar days – so you have time to consider if RetireAccess Lifetime Pension is suitable for you.

Your regular monthly income will be tax free.

Will my regular payment amount change over time?

The summary

Payments will be adjusted each year in line with movements in the CPI, unless you ask us to link them to changes in the RBA cash rate or not to adjust them.

When do payments start?

The summary

The first payment is made a month after your RetireAccess Lifetime Pension starts.

The detail

After you purchase, regular payments will change annually so that they keep pace with changes in the CPI (if this is the payment option chosen). This helps protect the purchasing power of your regular payments.

Payments will be indexed after each anniversary of the start of your RetireAccess Lifetime Pension (for example, the first payment to be indexed will be the 13th monthly payment). If the change in CPI is positive, your regular payments will increase, and if the change in CPI is negative your payments will reduce. How CPI is calculated can be found in section 6.

When applying for a RetireAccess Lifetime Pension, you can request not to index payments to changes in the CPI by choosing an alternative payment option. The other options available are:

- You can choose to link payments to changes in the RBA cash rate (called 'RBA cash linked'). If you choose RBA cash linked, your regular payments will change whenever there is a change in the RBA cash rate (whether it be an increase or decrease). If the RBA cash rate reduces, your payments will reduce. If the RBA cash rate increases, your payments will increase.
- You can choose to only partially index your payments annually with movements in the CPI (called 'partial CPI'). If you choose partial CPI, your regular payments will change annually in line with any increase in the CPI that is greater than 2%; for example, if the change in CPI is 3%, your payments will increase by 1%. If the change in CPI is between zero and 2%, your payments will be unchanged. If the change in CPI is negative, your payments will reduce.
- You can choose fixed payments that never change (called 'no indexation'). By choosing the no indexation option, you will generally have greater purchasing power now; however, over time the purchasing power of your regular payments is likely to reduce as a result of inflation.

Further information on each payment option can be found in section 6.

For the same purchase price amount, the starting payment of each option will be different.



Information

You cannot change your indexation choice after your RetireAccess Lifetime Pension has started.

How long will I (and my reversionary life insured, if I choose one) receive payments for?

The summary

Payments are set to be paid for you and your Spouse's lifetime (if you have nominated them as a reversionary life insured).

If you are eligible to withdraw you will receive a lump sum, your RetireAccess Lifetime Pension will be closed and your pension payments will cease - refer next section.

The detail

If you would like payments to also be made for your Spouse's lifetime, you must nominate them as your reversionary life insured when applying for your RetireAccess Lifetime Pension.

The amount of your regular payments outlined in your payment quotation will be lower if you nominate your Spouse as a reversionary life insured because it is likely that payments in respect of your RetireAccess Lifetime Pension will be paid for a longer period of time.

It is important to understand that once your RetireAccess Lifetime Pension starts, you cannot **add** your Spouse, or **change** your nominated Spouse. This is because your Spouse's life expectancy is also used to determine the regular payments that are promised to be paid to you. You can choose to **remove** your Spouse from your RetireAccess Lifetime Pension at any time in writing; however, if you do so, your regular payments do not change.

'Spouse' for the purposes of superannuation has a special meaning and is currently defined in superannuation law as a person with whom you are in a relationship that is legally registered as a marriage or under state or territory law as a civil union; or a de facto relationship (meaning that although you are not legally married, you live together on a genuine domestic basis as a couple). If at any time your Spouse does not meet the definition defined in law (for example if you divorce), then your regular payments will not change, but your former Spouse will cease being a reversionary life insured, and upon your death your RetireAccess Lifetime Pension will end. If you nominated your Spouse as the reversionary life insured but they pre-decease you, your RetireAccess Lifetime Pension will end upon your death. However, in these circumstances if you die within the withdrawal period, a lump sum benefit will be payable to your estate/Legal Personal Representative.

Can I withdraw if my circumstances change?

The summary

Yes, you can withdraw while you are in your withdrawal period. While you should only purchase a RetireAccess Lifetime Pension if you plan to keep it for life, it has a withdrawal period based on your life expectancy where you can ask to be repaid a lump sum amount if your circumstances change. **You cannot make partial withdrawals.**

The detail

For example, a 65-year-old female who purchases a RetireAccess Lifetime Pension can withdraw at any time during the first 22 years of the pension (called the ‘withdrawal period’). The withdrawal period that will apply to you is shown on an Account Schedule issued with your welcome letter and is also shown on the payment quotation available by calling us on **1300 033 166**.

The maximum withdrawal value starts at 100% of your purchase price and progressively reduces (in a linear manner daily) until it reaches zero at the end of the withdrawal period. The actual withdrawal value paid to you is impacted by movements in interest rates and an allowance for the cost of ceasing your RetireAccess Lifetime Pension and cannot exceed the maximum withdrawal value. That is why it is only possible to determine the withdrawal value at the time of withdrawal. If you withdraw, your regular payments stop.

After the withdrawal period has ended, your RetireAccess Lifetime Pension will no longer have a withdrawal value and so you cannot withdraw after that point, but you will continue to receive monthly income for the rest of your life (and the rest of your Spouse’s life if you have nominated them as a reversionary life insured).

When applying for a RetireAccess Lifetime Pension, you can ask to remove the withdrawal period and the death benefit in return for higher starting payments – called the **Enhanced Income (Immediate payments) option**. If you choose this option, your RetireAccess Lifetime Pension will never have a withdrawal value (and a death benefit will never be payable - see below). The withdrawal period cannot be added back to your RetireAccess Lifetime Pension once it has started.

If the Trustee is aware that any of your benefits within TelstraSuper are subject to a Family Law order or agreement you will be unable to choose the Enhanced Income (Immediate payments) option.

Will my family receive anything back when I die?

The summary

If you or your Spouse (if you have nominated them as a reversionary life insured) die within the withdrawal period, a lump sum payment will be made to the beneficiaries you nominate or your estate.

The detail

The amount payable upon death is set at the start of your RetireAccess Lifetime Pension. Changes (up or down) in your chosen index option do not affect this death benefit amount.

If you die during the first half of your withdrawal period (rounded down to a whole year), a death benefit equal to 100% of the purchase price will be paid (less tax if applicable). This amount is not reduced by any pension payments made up until the time of death, although it may be subject to tax as indicated below.

For the second half of the withdrawal period, the death benefit is matched to the maximum withdrawal amount which applies at the time of death (see page 9). No death benefit is paid if death occurs after the withdrawal period. The applicable death benefit is only payable after the death of all persons included as part of the investment.

A death benefit illustration is shown on the payment quotation available by calling us.

The withdrawal value paid will be tax free if the death benefit is paid to a tax dependant. As with all super investments, if the death benefit is paid to a non-tax dependant, it may be subject to tax.

When applying for a RetireAccess Lifetime Pension, you can ask us to remove the withdrawal period and death benefit in return for higher starting payments – called the **Enhanced Income (Immediate payments) option**.

Information

If you choose the Enhanced Income (Immediate payments) option, your RetireAccess Lifetime Pension will not have a death benefit (or a withdrawal value). This means that when you and your reversionary life insured (if one is nominated) die, the regular payments stop and nothing is payable to your estate or nominated beneficiaries. The death benefit cannot be added back to your RetireAccess Lifetime Pension once it has started.

Reimbursement of overpayments

There may be instances where we overpay one or more monthly income payments to you in between the date you die and when we are informed about your death by your estate/beneficiaries.

If no death benefit is payable from your RetireAccess Lifetime Pension, we will seek reimbursement for these over payments, initially, from your TelstraSuper accounts, and then, from your estate.

Can I add more money to my lifetime pension?

The summary

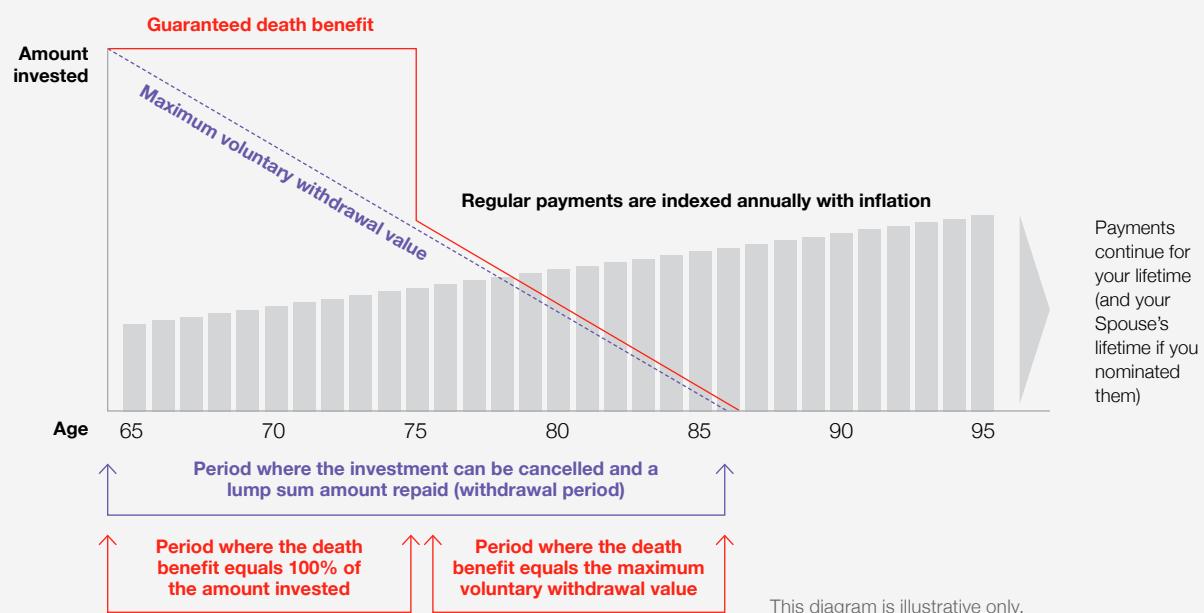
No

The detail

You cannot add more money to your RetireAccess Lifetime Pension after it has started; however, you can commence a new additional RetireAccess Lifetime Pension at any time. You can have up to 3 RetireAccess Lifetime Pensions at any one time.

Flexible Income (Immediate payments) illustration

This example is based on a 65-year-old female with CPI-indexed payments. For a personalised illustration, you can request a payment quotation by calling us.



This example doesn't apply to members who select the Enhanced Income option.

Flexible Income (Deferred payments) option

Snapshot

- You choose when monthly payments start.
- You receive higher starting payments than if you choose to start payments immediately.
- Once payments commence, they are payable for life (and your Spouse's life if you nominate them as reversionary life insured).
- Deferred payments can keep pace with inflation, be linked to the RBA cash rate or you can choose to have your payments stay the same throughout your lifetime
- Monthly payments are tax free once they commence.
- 100% of your purchase price is repaid to your nominated beneficiaries or estate if you die within the first half of your withdrawal period. However, this does not apply if you choose the Enhanced Income option.
- It has a withdrawal value for a period based on your life expectancy – just in case your circumstances change and you no longer want an income for your lifetime. However, this does not apply if you choose the Enhanced Income option. If you die after the first half of the withdrawal period, the amount payable on your death reduces and will reduce to zero at the end of the withdrawal period.

When do payments start?

The summary

Payments commence a month after the deferral period you choose.

The detail

The deferral period you choose must be in whole years, and payments must start no later than the pension

Commencement date anniversary after you turn age 100 (or your Spouse turns age 100 if they are older than you and you have nominated them as a reversionary life insured). You can only nominate your Spouse as a reversionary life insured if they are aged 65 or older at the time of commencing your RetireAccess Lifetime Pension.

Once your payments commence, payments will be made monthly around the same day of the month for the rest of your life (and the rest of your Spouse's life if you have nominated them as a reversionary life insured).

Payments will be paid by electronic transfer to your bank, building society or credit union account.

How much income will I receive?

The summary

RetireAccess Lifetime Pension offers payments based on how long you are likely to live, the payment deferral period you choose and current investment market conditions.

The detail

The quotation used to set up your RetireAccess Lifetime Pension sets out your monthly payment amount. Once your pension commences you will start to receive a regular income monthly after the deferral period you choose for your lifetime (and the rest of your Spouse's life if you have nominated them as a reversionary life insured).

You can request a payment quotation by calling us on **1300 033 166**. Quotations are valid for 14 calendar days – so you have time to consider if RetireAccess Lifetime Pension is suitable for you.

Your regular monthly income will be tax free.

Will my regular payment amount change over time?

The summary

The income amount figure that is set at the start of the deferral period for your RetireAccess Lifetime Pension will be adjusted each year during the deferral period in line

with movements in the CPI, unless you ask to link them to changes in the RBA cash rate or not to adjust them. This adjustment (if applicable) will continue to occur once the deferral period ends and you start to receive your regular income.

The detail

After you have purchased your RetireAccess Lifetime Pension, deferred payment amounts will change annually so that they keep pace with changes in the CPI (if this is the payment option chosen), even if they are not yet payable to you.

This helps protect the purchasing power of your future regular payments.

Deferred payments will be indexed after each anniversary of the start of your RetireAccess Lifetime Pension (for example, the first deferred payment to be indexed will be the 13th deferred monthly payment). If the change in CPI is positive, your deferred payment amounts will increase, and if the change in CPI is negative, your deferred payments will reduce. How CPI is calculated can be found in section 6.

When applying for a RetireAccess Lifetime Pension, you can ask not to index payments to changes in the CPI by choosing an alternative payment option. The other options available are:

- You can choose to link payments to changes in the RBA cash rate (called 'RBA cash linked'). If you choose RBA cash linked, your payments will change whenever there is a change in the RBA cash rate (whether it be an increase or decrease). If the RBA cash rate reduces, your payments will reduce. If the RBA cash rate increases, your payments will increase.
- You can choose to only partially index your payments annually with movements in the CPI (called 'partial CPI'). If you choose partial CPI, your payments will change annually in line with any increase in the CPI that is greater than 2%; for example, if the change in CPI is 3%, your payments will increase by 1%. If the change in CPI is between zero and 2%, your payment will be unchanged. If the change in CPI is negative your payments will reduce.
- You can choose fixed payments that never change (called 'no indexation'). By choosing the no indexation option, you will generally have greater purchasing power now; however, over time the purchasing power of your regular payments is likely to reduce as a result of inflation.

Further information on each payment option can be found in section 6.

For the same purchase price amount for each option the starting payment after the deferral period will be different.

You cannot change your indexation choice after your RetireAccess Lifetime Pension has started.

How long will I (and my reversionary life insured, if I choose one) receive payments for?

The summary

After the deferral period, your payments are set to be paid for you and your Spouse's lifetime (if you have nominated them as a reversionary life insured).

If you are eligible to withdraw you will receive a lump sum, your RetireAccess Lifetime Pension will be closed and your pension payments will cease - refer next section.

The detail

If you would like deferred payments to also be made for your Spouse's lifetime, you must make this choice when applying for your RetireAccess Lifetime Pension. Your Spouse will be referred to as the 'reversionary life insured'. **You can only include your Spouse as a reversionary life insured if they are aged 65 or older at the time of purchase.**

The amount of the monthly deferred income payments will be lower if you nominate your Spouse as a reversionary life insured because it is likely that payments will be paid for a longer period of time.

It is important to understand that once your RetireAccess Lifetime Pension starts, you cannot **add** your Spouse, or **change** your nominated Spouse. This is because your Spouse's life expectancy is also used to determine the regular payments promised to be paid to you. You can choose to **remove** your Spouse from your RetireAccess Lifetime Pension at any time in writing; however, if you do so, your regular payments do not change. However, in these circumstances if you die within the withdrawal period, a lump sum benefit will be payable to your estate/Legal Personal Representative.

'Spouse' for the purposes of superannuation has a special meaning and is currently defined in law as a person with whom you are in a relationship that is legally registered as a marriage or under state or territory law as a civil union; or a de facto relationship (meaning that although you are not legally married, you live together on a genuine domestic basis as a couple). If at any time your Spouse does not meet the definition defined in law (for example if you divorce), then your regular payments will not change, but your former Spouse will cease being a reversionary life insured, and upon your death your RetireAccess Lifetime Pension will end. If you nominated your Spouse as the reversionary life insured but they pre-decease you, your RetireAccess Lifetime Pension will end upon your death.

Can I withdraw if my circumstances change?

The summary

Yes, you can withdraw while you are in your withdrawal period. While you should only invest in RetireAccess Lifetime Pension if you plan to keep it for life, it has a withdrawal period based on your life expectancy where you can ask to be repaid a lump sum amount if your circumstances change. **You cannot make partial withdrawals.**

The detail

For example, a 65-year-old female can withdraw at any time during the first 22 years of investment (called the 'withdrawal period'). The withdrawal period that will apply to you is shown on an Account Schedule issued with your welcome letter and is also shown on the payment quotation available by calling us.

The maximum withdrawal value starts at 100% of the amount of your purchase price and progressively reduces (in a linear manner daily) until it reaches zero at the end of the withdrawal period. The actual withdrawal value paid to you is impacted by movements in interest rates and an allowance for the cost of ceasing your RetireAccess Lifetime Pension and cannot exceed the maximum withdrawal value. That is why it is only possible to determine the withdrawal value at the time of withdrawal. If you withdraw, your regular payments stop (or future payments will not be paid if you withdraw while in the deferral period).

Your withdrawal period might end while you are still in the deferral period, or it might not. It depends what deferral period you choose, and what the relevant withdrawal period is for your RetireAccess Lifetime Pension.

After the withdrawal period has ended, your RetireAccess Lifetime Pension will no longer have a withdrawal value and so you cannot withdraw after that point, but you will continue to receive (or continue to be eligible to receive if you are still within your chosen deferral period) monthly income for the rest of your life (and the rest of your Spouse's life if you have nominated them as a reversionary life insured).

When applying for a RetireAccess Lifetime Pension, you can ask to remove the withdrawal period and the death benefit in return for higher starting payments – called the **Enhanced Income (Deferred payments) option**. If you choose this option, your RetireAccess Lifetime Pension will never have a withdrawal value (and a death benefit will never be payable - see below). The withdrawal period cannot be added back to your RetireAccess Lifetime Pension once it has started.

If the Trustee is aware that any of your benefits within TelstraSuper are subject to a Family Law order or agreement you will be unable to choose the Enhanced Income (Deferred payments) option.

Will my family receive anything back when I die?

The summary

If you and your Spouse (if you have nominated them as reversionary life insured), die within the withdrawal period, a lump sum payment will be made to the beneficiaries you nominate or your estate.

The detail

The amount payable upon death is set at the start of your RetireAccess Lifetime Pension. Changes (up or down) in your chosen indexation option do not affect this death benefit amount.

If you die during the first half of your withdrawal period (rounded down to a whole year), a death benefit equal to 100% of your purchase price will be paid (less tax if applicable). This amount is not reduced by any pension payments made up until the time of death, although it may be subject to tax as indicated below.

For the second half of the withdrawal period, the death benefit amount is matched to the withdrawal amount which applies at the time of death (see page 13). No death benefit is paid if death occurs after the withdrawal period. The applicable death benefit is only payable after the death of all persons included as part of the pension.

A death benefit illustration is shown on the payment quotation available by calling us on **1300 033 166**.

The death benefit we pay will be tax free if it is paid to a tax dependant. As with all super investments, if the death benefit is paid to a non-tax dependant, it may be subject to tax.

When applying for a RetireAccess Lifetime Pension, you can ask to remove the withdrawal period and the death benefit in return for higher deferred payments – called the **Enhanced Income (Deferred payments) option**.

Information

If you choose the Enhanced Income (Deferred payments) option, your RetireAccess Lifetime Pension will not have a death benefit. This means that when you (and your reversionary life insured if one is nominated) die, your entitlements end (even if payments have not yet commenced) and nothing is payable to your estate or nominated beneficiaries. The death benefit cannot be added back to your RetireAccess Lifetime Pension once it has started.

Can I add more money to my lifetime pension?

The summary

No

The detail

You cannot add more money to your RetireAccess Lifetime Pension after it has started; however, you can commence a new RetireAccess Lifetime Pension at any time. You can have up to 3 RetireAccess Lifetime Pensions at any one time.

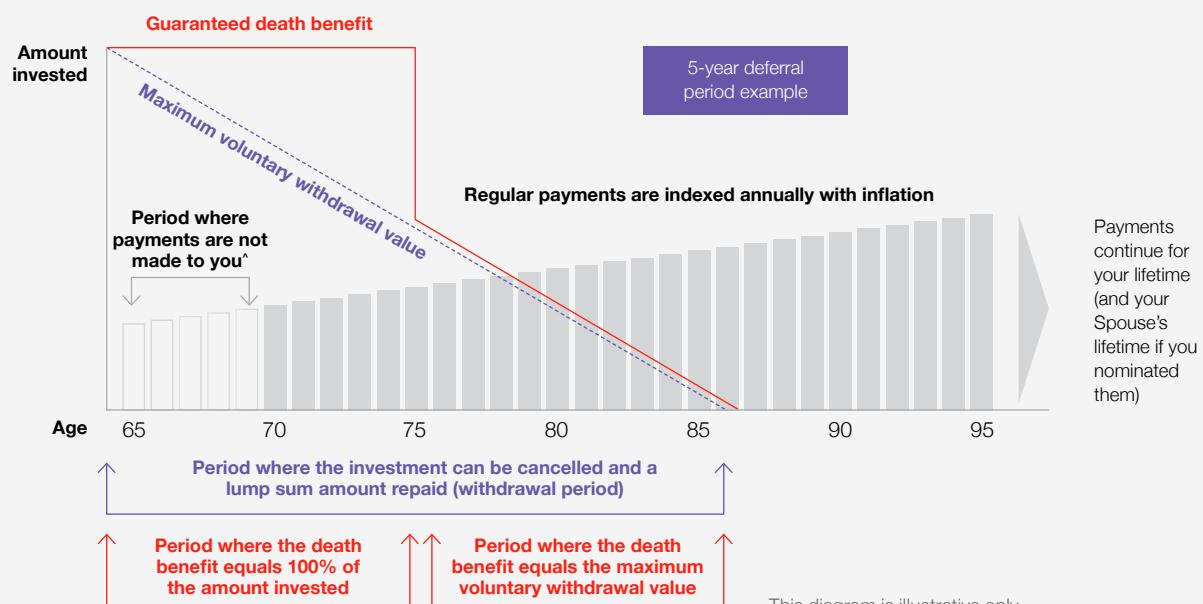
Reimbursement of overpayments

There may be instances where we overpay one or more monthly income payments to you in between the date you die and when we are informed about your death by your estate/beneficiaries.

If no death benefit is payable from your RetireAccess Lifetime Pension, we will seek reimbursement for these over payments, initially, from your TelstraSuper accounts, and then, from your estate.

Flexible Income (Deferred payments) illustration

This example is based on a 65-year-old female with CPI-indexed payments. For a personalised illustration, you can request a payment quotation by calling us.



This example doesn't apply to members who select the Enhanced Income option.

^a Indexation will occur during this period

Flexible Income (Market-linked payments) option

Snapshot

- Monthly payments continue for life (and your Spouse's life if you nominate them as a reversionary life insured).
- Payments start a month after the Commencement date.
- Payments move up and down annually with changes in the market-linked index chosen by you (there are 5 index options to choose from)
 - only the first year's monthly income amount is set and known at the start.
- You can switch your chosen market-linked index each year.
- You can choose to have higher starting payments in return for reducing future indexation by between 1% – 5% p.a. (Accelerated payment option).
- Monthly payments are tax free.
- 100% of your purchase price is repaid to your nominated beneficiaries or estate if you die within the first half of your withdrawal period. However, this does not apply if you choose the Enhanced Income option.
- It has a withdrawal value for a period based on your life expectancy – just in case your circumstances change and you no longer want an income for your lifetime. However, this does not apply if you choose the Enhanced Income option. If you die after the first half of the withdrawal period, the amount payable on your death reduces and will reduce to zero at the end of the withdrawal period.

When do payments start?

The summary

The first payment is made a month after your RetireAccess Lifetime Pension starts.

The detail

Payments will be made monthly around the same day of the month for the rest of your life (and the rest of your Spouse's life if you have nominated them as a reversionary life insured). Payments will be paid by electronic transfer to your bank, building society or credit union account.

How much income will I receive?

The summary

RetireAccess Lifetime Pension offers payments based on how long you are likely to live, the options you choose and current investment market conditions.

The detail

The quotation used to set up your RetireAccess Lifetime Pension sets out your monthly payment amount. Once your pension commences you will start to receive a regular income monthly for your lifetime (and the rest of your Spouse's life if you have nominated them as a reversionary life insured). Your income will be indexed up or down to your chosen market-linked payment option each year.

You can request a payment quotation by calling us on **1300 033 166**. Quotations are valid for 14 calendar days – so you have time to consider if RetireAccess Lifetime Pension is suitable for you.

Your regular monthly income will be tax free.

Will my regular payment amount change over time?

The summary

Payments are linked to movements in the market-linked index chosen by you.

The detail

When applying for your RetireAccess Lifetime Pension you can choose to have payments linked to changes in one of the following market-linked index options:

- Cash index
- Conservative index
- Conservative Balanced index
- Balanced index, or
- Growth index.

Information on each market-linked index can be found on pages 19-20.



Information

The first year's monthly income amount is set at a particular level which will be shown on your Account Schedule issued with your welcome letter and is also shown on the payment quotation available by calling us. After the first year, regular payments will index up or down annually so that they adjust with changes in your chosen market-linked payment option. In periods of poor performance and/or where you choose the Accelerated payment option (see below), payments can index down below the starting payment amount.

The higher the exposure to growth assets your chosen market-linked index has, the more volatile your yearly indexation rate is likely to be (meaning there is a higher likelihood that your regular payment amount will change significantly up or down year to year). The percentage allocation to growth assets for each market-linked index is detailed on pages 21-24.

Payments will be indexed after each anniversary of the start of your RetireAccess Lifetime Pension (for example, the first payment to be indexed will be the 13th monthly payment). If the change in your chosen market-linked payment option is positive, your regular payments will increase, and if the change in your chosen market-linked payment option is

negative, your payments will reduce. For example, if your regular monthly payment was \$1,000 and your chosen payment option yielded an increase of 20%, the following year's regular monthly payment would index up to \$1,200. Similarly, if your chosen payment option yielded a decrease of 20%, the following year's regular monthly payment would index down to \$800. The starting index value for your chosen market-linked payment option will be the index value on the first Business Day after the start of your RetireAccess Lifetime Pension. How changes in each market-linked index are calculated can be found in section 6.

Accelerated payment option

You can choose to have higher starting payments by choosing the Accelerated payment option. The Accelerated payment option allows you to have an increased starting payment in exchange for lower future indexation. You can choose to reduce future indexation by between 1% p.a. and 5% p.a. The greater the reduction in future indexation, the greater the increase in starting payment.

If you choose the Accelerated payment option, each year your chosen indexation reduction percentage will be deducted from the performance of your chosen market-linked index when determining your annual indexation rate. This is to reflect the fact that you have chosen to receive a higher starting payment.

The Accelerated payment option can only be chosen when applying for your RetireAccess Lifetime Pension, and you cannot remove the option or change your chosen indexation reduction percentage once your RetireAccess Lifetime Pension has started.

For more information on how the Accelerated payment option works see the example on page 16.

Example: How market-linked indexation works with the 2.5% Accelerated payment option

Example indexation rates					
Starting monthly payment: \$1,350	Year 1	Year 2	Year 3	Year 4	Year 5
Balanced index return	5%	-5%	7%	10%	-10%
Agreed indexation reduction (p.a.)	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%
Indexation applied to payments	2.5%	-7.5%	4.5%	7.5%	-12.5%
	+\$33.75 (2.5%)	-\$103.78 (-7.5%)	\$57.60 (4.5%)	\$100.32 (7.5%)	\$179.74 (-12.5%)
Investment year	Year 1	Year 2	Year 3	Year 4	Year 5
	\$1,350	\$1,383.75	\$1,279.97	\$1,337.57	\$1,437.89
					\$1,258.15

You can switch your market-linked index

Before each anniversary of the start of your RetireAccess Lifetime Pension, you can choose to switch your market-linked index. If you choose to switch, the change will be effective from the next anniversary day so the first payment to be indexed by the new index will be the 13th monthly payment after the change. **A request to switch must be received by us at least 14 calendar days prior to the next anniversary day.**

Where you have chosen the Accelerated payment option, your chosen indexation reduction percentage will continue to apply to the new market-linked index.

Further information on each market-linked index can be found on pages 19-20.

How long will I (and if I choose a reversionary life insured) receive payments for?**The summary**

Payments are set to be paid for you and your Spouse's lifetime (if you have nominated them as a reversionary life insured).

If you are eligible to withdraw you will receive a lump sum, your RetireAccess Lifetime Pension will be closed and your pension payments will cease - refer next section.

The detail

If you would like payments to also be made for your Spouse's lifetime, you must make this choice when applying for your RetireAccess Lifetime Pension.

The amount of your regular payments from your payment quotation will be lower if you nominate your Spouse as a reversionary life insured because it is likely that payments in respect of your RetireAccess Lifetime Pension will be paid for a longer period of time.

It is important to understand that once your RetireAccess Lifetime Pension starts, you cannot **add** your Spouse, or **change** your nominated Spouse. This is because your Spouse's life expectancy is also used to determine at the start the regular payments promised to be paid to you. You can choose to **remove** your Spouse from your RetireAccess Lifetime Pension at any time; however, if you do so, your regular payments do not change as a result.

'Spouse' for the purposes of superannuation has a special meaning and is currently defined in law as a person with whom you are in a relationship that is legally registered as a marriage or under state or territory law as a civil union; or a de facto relationship (meaning that although you are not legally married, you live together on a genuine domestic basis as a couple). If at any time your Spouse does not meet the definition defined in law (for example if you divorce), then your regular payments will not change, but your former Spouse will cease being a reversionary life insured, and upon your death your RetireAccess Lifetime Pension will end. If you nominated your Spouse as the reversionary life insured but they pre-decease you, your RetireAccess Lifetime Pension will end upon your death. However, in these circumstances if you die within the withdrawal period, a lump sum benefit will be payable to your estate/Legal Personal Representative.

Can I withdraw if my circumstances change?

The summary

Yes you can withdraw while you are in your withdrawal period. While you should only invest in RetireAccess Lifetime Pension if you plan to keep it for life, it has a withdrawal period based on your life expectancy where you can ask to be repaid a lump sum amount if your circumstances change. **You cannot make partial withdrawals.**

The detail

For example, a 65-year-old female who purchases a RetireAccess Lifetime Pension can withdraw at any time during the first 22 years of the pension (called the 'withdrawal period'). The withdrawal period that will apply to you is shown on an Account Schedule issued with your welcome letter and is also shown on the payment quotation available by calling us on **1300 033 166**.

The maximum withdrawal value starts at 100% of the amount you invest and progressively reduces (in a linear manner daily) until it reaches zero at the end of the withdrawal period. The actual withdrawal value paid to you is impacted by movements in interest rates, your chosen index, and an allowance for the cost for ceasing your RetireAccess Lifetime Pension, and cannot exceed the maximum withdrawal value. Because the maximum withdrawal value is capped, you will not benefit from index growth; however, if there is a reduction in your selected index, the withdrawal value could be significantly less than the maximum. That is why you should only invest in RetireAccess Lifetime Pension if you plan to keep it for life. It is only possible to determine the withdrawal value at the time of withdrawal. If you withdraw, your regular payments stop.

After the withdrawal period has ended, your RetireAccess Lifetime Pension will no longer have a withdrawal value and so you cannot withdraw after that point but you will continue to receive monthly income for the rest of your life (and the rest of your Spouse's life if you have nominated them as reversionary life insured).

When applying for a RetireAccess Lifetime Pension, you can ask to remove the withdrawal period and the death benefit in return for higher starting payments – called the **Enhanced Income (Market-linked payments) option**. If you choose this option, your RetireAccess Lifetime Pension will never have a withdrawal value (and a death benefit will never be payable - see below). The withdrawal period cannot be added back to your RetireAccess Lifetime Pension once it has started.

If the Trustee is aware that any of your benefits within TelstraSuper are subject to a Family Law order or agreement you will be unable to choose the Enhanced Income (Market-linked payments) option.

Will my family receive anything back when I die?

The summary

If you and your Spouse (if you have nominated them as a reversionary life insured) die within the withdrawal period, a lump sum payment will be made to the beneficiaries you nominate or your estate.

The detail

The amount payable upon death is set at the Commencement date of your RetireAccess Lifetime Pension. Changes (up or down) in your chosen market-linked index do not affect this death benefit amount.

If you die during the first half of your withdrawal period (rounded down to a whole year), a death benefit equal to 100% of the amount invested will be paid (less tax if applicable). This amount is not reduced by any payments made up until the time of death, although it may be subject to tax as indicated below.

For the second half of the withdrawal period, the death benefit amount is matched to the withdrawal amount which applies at the time of death (see page 18). No death benefit is paid if death occurs after the withdrawal period. The applicable death benefit is only payable after the death of all persons included as part of the RetireAccess Lifetime Pension.

A death benefit illustration is shown on the payment quotation available by calling us on **1300 033 166**.

The withdrawal value paid will be tax free if the death benefit is paid to a tax dependant. As with all super investments, if the death benefit is paid to a non-tax dependant, it may be subject to tax.

When applying for a RetireAccess Lifetime Pension, you can ask to remove the death benefit and the withdrawal benefit in return for higher starting payments – called the **Enhanced Income (Market-linked payments) option**.

Information

If you choose the Enhanced Income (Market-linked payments) option, your RetireAccess Lifetime Pension will not have a death benefit (or a withdrawal value). This means that when you and your Spouse (if you have nominated them as a reversionary life insured) die, the regular payments stop, and nothing is payable to your estate or nominated beneficiaries. The death benefit cannot be added back to your RetireAccess Lifetime Pension once it has started.

Can I add more money to my pension?

The summary

No

The detail

You cannot add more money to your RetireAccess Lifetime Pension after it has started; however, you can commence a new, RetireAccess Lifetime Pension at any time. You can have up to 3 RetireAccess Lifetime Pensions at any one time.

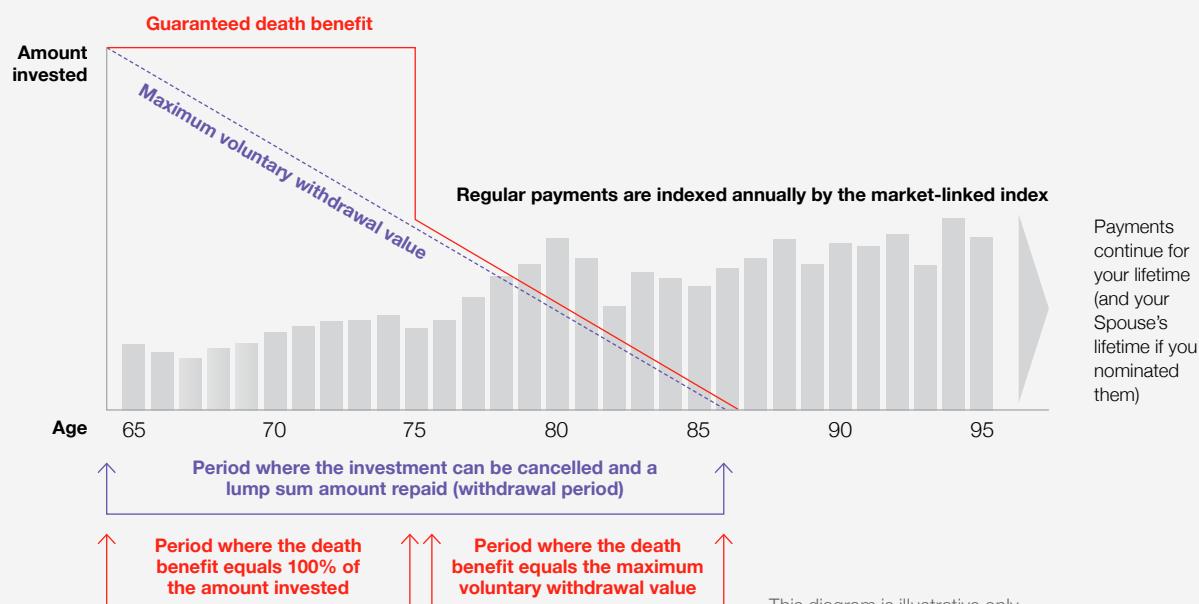
Reimbursement of overpayments

There may be instances where we overpay one or more monthly income payments to you in between the date you die and when we are informed about your death by your estate/beneficiaries.

If no death benefit is payable from your RetireAccess Lifetime Pension, we will seek to be reimbursed for these over payments, initially, from your TelstraSuper accounts, and then, from your estate.

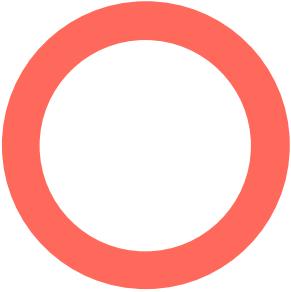
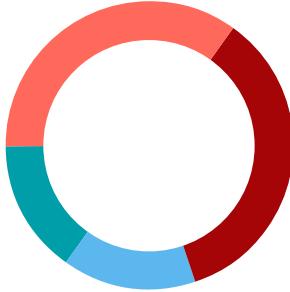
Flexible Income (Market-linked payments) illustration

This example is based on a 65-year-old female with CPI-indexed payments. For a personalised illustration, you can request a payment quotation by calling us.



This example doesn't apply to members who select the Enhanced Income option.

Market-linked index options

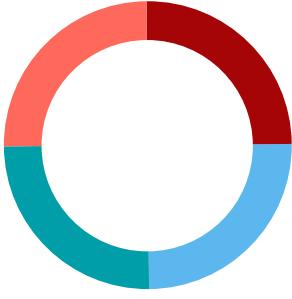
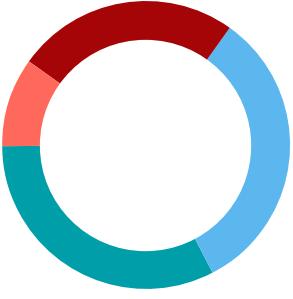
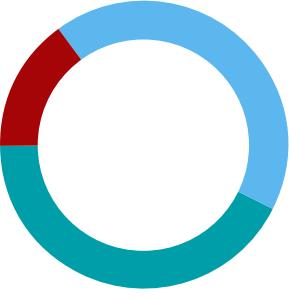
	Cash index	Conservative index
Estimated number of negative index returns over any 20-year period	Nil 	Around 2 in every 20 years 
Asset allocation		 ● 100% Defensive ● 30% Growth
Underlying index allocation ¹	 ● AusBond Bank Bill (BAUBIL) 100%	 ● AusBond Bank Bill (BAUBIL) 35% ● AusBond Government (BAGVO) 35% ● MSCI World Net Ex AU (EANREXAN) 15% ● S&P/ASX 200 net return index (ASN51) 15%
How index performance is calculated ²	The index performance will equal the difference between the Cash index on the anniversary of the pension and the Cash index 12 months prior.	The index performance will equal the difference between the Conservative index on the anniversary of the pension and the Conservative index 12 months prior.
Historical index performance (as at 30 June) ³	2023: 2.89% 2022: 0.10% 2021: 0.06% 2020: 0.85% 2019: 1.97%	2023: 6.84% 2022: -5.68% 2021: 7.26% 2020: 1.83% 2019: 7.85%

¹ The market-linked indexes are constructed using one or more industry-recognised indexes. Challenger calculates the annual indexation rate for each market-linked payment option based on the performance of each underlying market index. The market-linked indexes are rebalanced monthly.

² Further information on how the performance of each index is calculated can be found in section 6 - Payment options explained.

³ Past performance is not a reliable indicator of future performance. All index options commenced on 4 October 2021. Historical performance has been calculated using the historical performance of the underlying market indexes. If you choose the Accelerated payment option, your annuity will index by the relevant index performance reduced by your chosen Indexation reduction percentage.

Market-linked index options

Conservative balanced index	Balanced index	Growth index
Around 3 in every 20 years 	Around 4 in every 20 years 	Around 5 in every 20 years 
		
● 50% Defensive ● 50% Growth	● 35% Defensive ● 65% Growth	● 15% Defensive ● 85% Growth
		
<ul style="list-style-type: none"> ● AusBond Bank Bill (BAUBIL) 25% ● AusBond Government (BAGV0) 25% ● MSCI World Net Ex AU (EANREXAN) 25% ● S&P/ASX 200 net return index (ASN51) 25% 	<ul style="list-style-type: none"> ● AusBond Bank Bill (BAUBIL) 10% ● AusBond Government (BAGV0) 25% ● MSCI World Net Ex AU (EANREXAN) 32.5% ● S&P/ASX 200 net return index (ASN51) 32.5% 	<ul style="list-style-type: none"> ● AusBond Government (BAGV0) 15% ● MSCI World Net Ex AU (EANREXAN) 42.5% ● S&P/ASX 200 net return index (ASN51) 42.5%
The index performance will equal the difference between the Conservative balanced index on the anniversary of the pension and the Conservative balanced index 12 months prior.	The index performance will equal the difference between the Balanced index on the anniversary of the pension and the Balanced index 12 months prior.	The index performance will equal the difference between the Growth index on the anniversary of the pension and the Growth index 12 months prior.
2023: 10.15% 2022: -5.83% 2021: 12.79% 2020: 1.13% 2019: 9.00%	2023: 12.49% 2022: -6.79% 2021: 16.96% 2020: 0.77% 2019: 10.48%	2023: 15.88% 2022: -7.00% 2021: 22.88% 2020: -0.19% 2019: 11.56%

Payment options explained

When you commence a RetireAccess Lifetime Pension you will receive monthly pension payments for as long as at least one life insured is alive, unless you elect to voluntarily withdraw from your account.

The amount of your lifetime pension will be determined by the amount you invest, the RetireAccess Lifetime Pension options you chose and the payment rate available at the time you request a quotation. The option you choose will be shown on your Account Schedule with further information on each shown below:

Flexible Income (Immediate payments) and Flexible Income (Deferred payments) - Explanation of indexation options

Full indexation ('CPI'),

This option provides regular payments over the pension term that are indexed each year on the anniversary of the Commencement date by the change in the CPI. This change, if any, will be equal to the difference between the CPI for the

second- last complete quarter before the anniversary of the pension and the CPI for the same quarter of the immediately preceding year, expressed as a percentage.

The CPI is the weighted average of the Eight Capital Cities Index, as published by the Australian Statistician, or any such adjusted index (where a material change occurs through a change in the law or any appropriate successor index selected by Challenger Life).

In relation to CPI indexation, Challenger reserves the right to adjust the CPI application if there is a change which materially alters the CPI calculation or its use.

The examples below illustrate what occurs on the first anniversary of the start of the RetireAccess Lifetime Pension, if starting monthly payments were \$1,000. This process occurs annually throughout the life of the RetireAccess Lifetime Pension, and the indexation is applied to the dollar amount of the monthly payments as the at the anniversary date.

CPI increases by 1%	On the first anniversary of your RetireAccess Lifetime Pension, the monthly payments would increase to \$1,010 (an increase of 1%) effective from the 13th monthly payment TelstraSuper makes. TelstraSuper will then make monthly payments of \$1,010 throughout the second year of your RetireAccess Lifetime Pension.
CPI decreases by 1%	On the first anniversary of your RetireAccess Lifetime Pension, the monthly payments would decrease to \$990 (a decrease of 1%) effective from the 13th monthly payment TelstraSuper makes. TelstraSuper will then make monthly payments of \$990 throughout the second year of your RetireAccess Lifetime Pension.
CPI increases by 2.5%	On the first anniversary of your RetireAccess Lifetime Pension, the monthly payments would increase to \$1,025 (an increase of 2.5%) effective from the 13th monthly payment TelstraSuper makes. TelstraSuper will then make monthly payments of \$1,025 throughout the second year of your RetireAccess Lifetime Pension.
CPI decreases by 2.5%	On the first anniversary of your RetireAccess Lifetime Pension, the monthly payments would decrease to \$975 (a decrease of 2.5%) effective from the 13th monthly payment TelstraSuper makes. TelstraSuper will then make monthly payments of \$975 throughout the second year of your RetireAccess Lifetime Pension.

Partial indexation ('partial CPI')

This option provides regular payments over the pension term that are indexed each year on the anniversary of the Commencement date by any increase in the CPI that is greater than 2%. If the percentage change in the CPI is negative, the percentage change in CPI will apply. These changes, if any, will be equal to the difference between the CPI for the second-last complete quarter before the anniversary of the pension and the CPI for the same quarter of the immediately preceding year, expressed as a percentage.

CPI increases by 1%	On the first anniversary of your RetireAccess Lifetime Pension, payments continue to be \$1,000 and would not be adjusted.
CPI decreases by 1%	On the first anniversary of your RetireAccess Lifetime Pension, the monthly payments would decrease to \$990 (a decrease of 1%) effective from the 13th monthly payment TelstraSuper makes. TelstraSuper will then make monthly payments of \$990 throughout the second year of your RetireAccess Lifetime Pension.
CPI increases by 2.5%	On the first anniversary of your RetireAccess Lifetime Pension, the monthly payments would increase to \$1,005 (an increase of 0.5%, which is the increase in CPI above 2%) effective from the 13th monthly payment TelstraSuper makes. TelstraSuper will then make monthly payments of \$1,005 throughout the second year of your RetireAccess Lifetime Pension.
CPI decreases by 2.5%	On the first anniversary of your RetireAccess Lifetime Pension, the monthly payments would decrease to \$975 (a decrease of 2.5%) effective from the 13th monthly payment TelstraSuper makes. TelstraSuper will then make monthly payments of \$975 throughout the second year of your RetireAccess Lifetime Pension.

RBA cash rate linked payments ('RBA cash linked')

This option provides regular payments over the pension term that reflect changes in the RBA cash rate. Regular monthly payments are composed of a fixed dollar amount plus an amount calculated as:

$$\frac{(\text{RBA cash rate at the end of the 15th calendar day of the previous month} \times \text{purchase price paid})}{12}$$

If the RBA cash rate is negative, the amount of your regular payments will be less than the fixed dollar amount. The minimum total RBA cash linked regular payment is \$10.

Whenever the RBA cash rate changes the variable component will be recalculated. If the RBA cash rate reduces your payments will reduce. If the RBA cash rate increases your payments will increase. If the RBA cash rate is negative (or changes to negative), for example -1%, then the variable RBA cash linked amount will be negative, and the regular payment will be less than the fixed dollar amount. If, after taking into account the negative RBA cash rate, your regular payment would be less than \$10, we will pay you \$10.

The examples below illustrate what occurs on the first anniversary of the start of the RetireAccess Lifetime Pension, if starting monthly payments were \$1,000. This process occurs annually throughout the life of the RetireAccess Lifetime Pension, and the indexation is applied to the dollar amount of the monthly payments as the at the anniversary date.

The examples below illustrate what occurs when there is a change in the RBA cash rate, if you invested \$200,000 and your monthly fixed component was \$700.

1%	\$700 + variable \$166.67 (\$200,000 x 1%/12) = \$866.67
2.5%	\$700 + variable \$416.67 (\$200,000 x 2.5%/12) = \$1,116.67
5%	\$700 + variable \$833.33 (\$200,000 x 5%/12) = \$1,533.33
0%	\$700 + variable \$0 (\$200,000 x 0%/12) = \$700
-1%	\$700 + variable -\$166.67 (\$200,000 x -1%/12) = \$533.33
-2.5%	\$700 + variable -\$416.67 (\$200,000 x -2.5%/12) = \$283.33
-5%	\$700 + variable -\$833.33 (\$200,000 x -5%/12) = \$10

If you have selected the Flexible Income (Immediate payments) option (whether with or without the Enhanced Income option), the first monthly payment amount is set at the Commencement date of the pension.

In relation to RBA cash linked Challenger reserves the right to replace the RBA cash rate with an alternative benchmark if there is a change which materially alters the RBA cash rate calculation or its use.

No indexation ('No indexation')

This option provides regular payments over the pension term that are not indexed.

Flexible Income (Market-linked payments) - Explanation of indexation options

The following explains the indexation options applicable to the Flexible Income (Market-linked payments) (whether with or without the Enhanced Income option).

The starting index value for your chosen Market-linked payment option will be the index value on the first business day after the Commencement date. All adjustments in accordance with your chosen market-linked indexation option will affect the monthly payment amounts in the second and subsequent years, as explained below.

Market linked – Cash index linked payments ('Market linked – Cash')

This option provides regular payments over the pension term that are indexed each year on the anniversary of the Commencement date by the change in the AusBond Bank Bill (BAUBIL) index.

If the Accelerated payment option is chosen for this index regular payments are as described above less a fixed percentage shown on the Account Schedule.

Market linked – Conservative index linked payments ('Market linked – Conservative')

This option provides regular payments that are indexed each year on the anniversary of the Commencement date based on changes in the Conservative index over the immediately preceding year, expressed as a percentage to two decimal places. The Conservative index is calculated based on the daily values of the following indices which are re-weighted on the last day of each calendar month – AusBond Bank Bill (BAUBIL) index: 35%, AusBond Government (BAGV0) index: 35%, MSCI World Net Ex AU (EANREXAN) index: 15%, the S&P/ASX 200 net return index (ASN51) index: 15%.

If the Accelerated payment option is chosen for this index regular payments are as described above less a fixed percentage shown on the Account Schedule.

Market linked – Conservative balanced index linked payments ('Market linked – Conservative Balanced')

This option provides regular payments that are indexed each year on the anniversary of the Commencement date based on changes in the Conservative Balanced index over the immediately preceding year, expressed as a percentage to two decimal places.

The Conservative Balanced index is calculated based on the daily values of the following indices which are re-weighted on the last day of each calendar month – AusBond Bank Bill (BAUBIL) index: 25%, AusBond Government (BAGV0) index: 25%, MSCI World Net Ex AU (EANREXAN) index: 25%, the S&P/ASX 200 net return index (ASN51) index: 25%.

If the Accelerated payment option is chosen for this index regular payments are as described above less a fixed percentage shown on the Account Schedule.

Market linked – Balanced index linked payments ('Market linked – Balanced')

This option provides regular payments that are indexed each year on the anniversary of the Commencement date based on changes in the Balanced index over the immediately preceding year, expressed as a percentage to two decimal places. The Balanced index is calculated based on the daily values of the following indices which are re-weighted on the last day of each calendar month – AusBond Bank Bill (BAUBIL) index: 10%, AusBond Government (BAGV0) index: 25%, MSCI World Net Ex AU (EANREXAN) index: 32.5%, the S&P/ASX 200 net return index (ASN51) index: 32.5%.

If the Accelerated payment option is chosen for this index regular payments are as described above less a fixed percentage shown on the Account Schedule.

Market linked – Growth index linked payments ('Market linked – Growth')

This option provides regular payments that are indexed each year on the anniversary of the Commencement date based on changes in the Growth index over the immediately preceding year, expressed as a percentage to two decimal places. The Growth index is calculated based on the daily values of the following indices which are re-weighted on the last day of each calendar month – AusBond Government (BAGV0) index: 15%, MSCI World Net Ex AU (EANREXAN) index: 42.5%, the S&P/ASX 200 net return index (ASN51) index: 42.5%.

In respect of the Market-linked and Market-linked (Accelerator payment option) Challenger reserves the right to replace any of the underlying market indexes with an alternative market index, if an index provider:

- does not publish the index, or
- does not provide enough data to enable the performance of the index to be calculated, or
- provides incorrect data, or
- increases the cost of using the index, or
- makes other changes to, or terminates the licence in respect of the index, or
- there is a change which materially alters the index calculation or its use.

If the Accelerated payment option is chosen for this index regular payments are as described above less a fixed percentage shown on the Account Schedule.

Flexible Income (Market-linked payments) - Explanation of switching option

The following explains the indexation options applicable to the Flexible Income (Market-linked payments) (with or without the Enhanced Income option, and with or without the Accelerated option).

The index option you choose at Commencement date will be shown on your Account Schedule.

You can switch your payment option each year by giving notification to us prior to the anniversary of the Commencement date of your pension (and it will take effect on the anniversary date) to any of the other options: Cash, Conservative, Conservative Balanced, Balanced or Growth.

To switch your payment option we must be notified in writing no later than 14 calendar days prior to the pension anniversary.

Acceptance of switches outside of the 14-day notice period will be at Challenger's discretion. All other payment options cannot be changed after the Commencement date of your pension.

The first payment to change by the new index will be the 13th monthly payment after the change (after the annual return of the new chosen market-linked index has been calculated).

Flexible Income (Immediate payments), Flexible Income (Deferred payments) and Flexible Income (Market-linked payments) - Explanation of Enhanced Income options

The following explains the Enhanced Income option which is applicable to all the RetireAccess Lifetime Pension payment options (and note that the Enhanced Income option is available on the Flexible Income (Market-linked payments) whether or not the Accelerated option is chosen).

When applying for a RetireAccess Lifetime Pension, you can ask to remove the withdrawal period and the death benefit in return for higher starting payments. This is referred to as the Enhanced Income option - and so it means that your RetireAccess Lifetime Pension will not have a withdrawal value. This means that you cannot withdraw voluntarily (although you still have cooling-off rights as explained on page 34), and a lump sum will not be payable on death.

If you choose this option at Commencement, it will be shown on your Account Schedule, and you cannot change your mind.

Flexible Income (Market-linked payments) – Explanation of Accelerated payment option

The Accelerated payment option is only applicable to the Flexible Income (Market-linked payments) option, and is explained on pages 14-18.

What are the risks of investing?

All investments carry some risk. Listed below are the key risks that you should take into account when deciding whether RetireAccess Lifetime Pension is right for you.

Withdrawal risk

This is the risk that if you voluntarily withdraw during the withdrawal period or die, you may receive back less money than you invested. If you choose the Flexible Income (Market-linked payments) option, your withdrawal value will not benefit from index growth.

The withdrawal value of your RetireAccess Lifetime Pension will vary over time because it depends on changing factors, including how long you have held your RetireAccess Lifetime Pension and prevailing market rates at that time. If you choose the Enhanced Income option, or your RetireAccess Lifetime Pension has reached the end of its withdrawal period, you cannot withdraw (and no lump sum is payable on death).

Deferral risk

If you choose the Flexible Income (Deferred payments) option and you die after the withdrawal period, but before payments commence, you will not receive any payments from the RetireAccess Lifetime Pension and no lump sum is payable.

If you choose the Enhanced Income (Deferred payments) option and you die before payments commence, you will not receive any payments from the RetireAccess Lifetime Pension and no lump sum is payable.

Regulatory risk

The terms of the RetireAccess Lifetime Pension have been established in accordance with current superannuation and tax legislation and regulatory requirements. There is a risk that this legislation and/or regulatory requirements may change in the future and in such circumstances, we may be required to change the terms and conditions of your RetireAccess Lifetime Pension. This means that we may need to adjust regular payments or tax installments (if applicable) as a result of any changes.

We will generally notify you in advance of any material change to your pension before it occurs, and in any event as soon as practicable after the change. Where a change is not materially adverse to you, we will give you notice of the change no later than 12 months after the change has occurred.

Counterparty risk

This is the risk that Challenger Life, the issuer of the life insurance policy which supports the RetireAccess Lifetime Pension payment, becomes unable to meet its commitment to the Trustee in making the lifetime pension payments.

Challenger is regulated under the *Life Insurance Act 1995* (Cth) (Life Insurance Act which governs the provision of life policies in Australia) and the prudential standards made under it, which prescribe minimum capital and solvency requirements for Challenger as well as for the life policies it writes. The Australian Prudential Regulation Authority (APRA) actively supervises Challenger Life's compliance with these requirements which are designed to ensure that Challenger Life is able to meet its obligations to investors, including the Trustee. For example, Challenger is required to hold enough capital to withstand a one in 200-year shock event.

Even so, unforeseen and extreme circumstances that might impact Challenger's ability to make payments to the Trustee can never be completely ruled out.

The Trustee, as issuer of the RetireAccess Lifetime Pension product, does not provide any guarantee whatsoever in respect of the product. The guarantee is provided by Challenger Life under the life insurance policy issued to the Trustee. The Trustee relies wholly on Challenger Life to fund your entitlements in RetireAccess Lifetime Pension and will not pay your entitlements under a RetireAccess Lifetime Pension if Challenger Life is unable to fund these entitlements.

Market-linked return risk

If you choose the Flexible Income (Market-linked payments) (with or without the Enhanced Income option), your regular payments are linked to annual changes in investment markets. If the change in your chosen market-linked payment option is positive, your regular payments will increase, and if the change in your chosen market-linked payment option is negative, your payments will reduce. In periods of poor performance, payments can index down below the starting payment. The performance of each index, and therefore the annual indexation of regular payments, is subject to various risks, including general market risk and the performance of the individual securities that make up the relevant index.

If you choose the Accelerated payment option, your Market-linked payments will start higher but will have lower indexation applied each year when compared to not having the option. Regular payments will also have a higher chance of being reduced each year due to negative indexation, because your RetireAccess Lifetime Pension payment will index by the performance of the chosen market-linked index less your chosen indexation reduction percentage. This also means that there is a higher likelihood of payments indexing down below the starting payment, especially when the Cash index option is chosen.



Information

Once your RetireAccess Lifetime Pension has started the Accelerated payment option cannot be removed and you cannot change your chosen indexation reduction percentage.

Inflation risk

If you choose the Flexible Income (Immediate payments) option or the Flexible Income (Deferred payments) option, (whether with or without the Enhanced Income option), you can choose to have payments that are adjusted each year in line with movements in the CPI (full CPI linking). You can also choose partial CPI linking. If the change in CPI is positive, your regular payments will increase, and if the change in CPI is negative, your payments will be reduced.

If you choose not to have full CPI linking, or choose the Flexible Income (Market-linked payments) option (with or without the Enhanced Income option), the real value (that is, the purchasing power) of your regular payments may reduce over time as a result of inflation.

RBA cash rate risk

If you choose the Flexible Income (Immediate payments) option or the Flexible Income (Deferred payments) option (with or without the Enhanced Income option), you can choose to have payments that are adjusted each year linked to the RBA cash rate. If you do this your regular monthly payment comprises a fixed-dollar amount plus a variable RBA cash linked amount. If the RBA cash rate reduces, the variable RBA cash linked amount reduces and so your regular payment will reduce (similarly if it increases, your regular payment will increase). If the RBA cash rate is negative (or changes to negative), for example -1%, then the variable RBA cash linked amount will be negative, and the regular payment will be less than the fixed-dollar amount.

If after taking into account the negative RBA cash rate your regular payment would be less than \$10, we will pay you \$10.

Labour standards and environmental, social and ethical considerations

The Trustee did not take into account any labour standards or environmental, social or ethical considerations in relation to the underlying life insurance policy issued to the Trustee by Challenger.

Other risks

There are other risks in purchasing a RetireAccess Lifetime Pension.

The pension payments that you receive under this product are supported by the life insurance policy issued by Challenger. Challenger may vary the life insurance products it issues to meet regulatory requirements. This means that the terms of your pension may change.

Tax

The tax information contained in this PDS only applies to individual Australian tax resident investors (who are either an Australian citizen or a permanent visa holder) and sets out our understanding of current tax legislation as at the date of this document. If you are a non-resident investor or a temporary visa holder, you should seek your own tax advice. The legislation and its interpretation could change in the future. We recommend that you seek the advice of a tax adviser before investing.

Providing your Tax File Number (TFN) to us

If you are rolling over benefits from an untaxed source into TelstraSuper to purchase a RetireAccess Lifetime Pension you will need to provide us with your TFN.

Excess transfer balance

There is a limit on how much super can be transferred to an income stream in retirement phase, known as the 'transfer balance cap'. The general transfer balance cap is \$1.9 million as at the date of this PDS. The purchase price of your RetireAccess Lifetime Pension will be reported to the ATO and will count towards your transfer balance cap.

If the investment amount of all your income streams exceeds the transfer balance cap, you may be able to roll the excess back to an accumulation super account or commute the excess as a lump sum. You may also be liable for excess transfer balance tax. We recommend you speak to your financial adviser or tax adviser regarding your individual circumstances.

If we receive a commutation authority from the ATO in respect of an amount in excess of the transfer balance cap, the amount must be withdrawn from the RetireAccess Lifetime Pension within 60 days of when the commutation authority was issued. Amounts withdrawn from the RetireAccess Lifetime Pension under these circumstances will be treated as a voluntary withdrawal. If we are unable to contact you within the 60-day period to consult on rollover or payment instructions, we will pay the amount into your nominated bank account.

For further information on the transfer balance cap, please refer to the ATO website www.ato.gov.au or speak to your financial adviser or tax adviser regarding your individual circumstances.

You'll pay additional tax if you go over the caps

While you can't make contributions directly into your RetireAccess Lifetime Pension, you may have an excess contributions tax liability from contributions previously made. The ATO will let you know if you need to pay tax for:

- exceeding the cap on pre-tax (concessional) contributions, which will be taxed at your marginal tax rate, plus an excess concessional contributions charge. You can use any excess contributions to pay the tax
- exceeding the cap on post-tax contributions (non-concessional) or making a non-concessional contribution if your total super balance exceeds your transfer balance cap.

The excess post-tax contribution will be taxed at 47%. You can't pay any excess to the ATO, you must nominate a super fund to release the liability to.

These caps and charges may change in the future.

RetireAccess Lifetime Pension, tax and you

If you're over 60, regular income from the RetireAccess Lifetime Pension is tax-free but there are other tax issues to consider, depending on your age and situation.

Generally, you won't pay any tax when you transfer your super money into RetireAccess Lifetime Pension.

Regular income payments paid to RetireAccess Lifetime Pension members over 60 years of age are tax-free and don't need to be included on your tax return.

Any lump sum payments you receive are tax-free and you do not need to include them in your tax return.

How death benefits are taxed

The tax treatment of a death benefit depends on whether it is being paid to dependants or non-dependants for tax purposes. The definition of dependant for tax purposes is different to the one that applies for superannuation dependants, and includes:

- Your Spouse, who is a person (whether of the same or the opposite sex) with whom you are in a de facto relationship or in a relationship that is legally registered as a marriage or under State or Territory law as a civil union

- Your ex-Spouse
- Your child under 18 years of age or otherwise financially dependent on you (includes an adopted child or stepchild)
- Someone who is financially dependent on you (that is, you contribute necessary financial support to maintain that person)
- Someone in an interdependency relationship with you.

The table below sets out the tax treatment of death benefits.

	Death benefit paid as a lump sum	Death benefit paid as regular payments
Dependant for tax purposes	Tax free	Tax free
Not dependant for tax purposes	Tax-free component of the lump sum is tax free. Taxable component of the lump sum will be subject to a maximum of 15% tax plus Medicare levy.	Not applicable. A person who is not dependant for tax purposes cannot receive regular payments.
Estate	Tax free if the estate pays benefits to a person who is dependant for tax purposes. If the estate pays benefits to a person who is not dependant for tax purposes, the taxable component of the lump sum will be subject to a maximum of 15% tax.	Not applicable. An estate cannot receive regular payments.

Fees and other costs

There are no fees or charges payable by you to acquire the RetireAccess Lifetime Pension and there are no fees or charges payable by you after you acquire the RetireAccess Lifetime Pension. The benefits provided under this product are supported by an underlying life insurance policy which has been issued by Challenger to the Trustee. Challenger makes assumptions about life expectancy and potential investment returns and considers the costs of meeting the promises under the Policy when setting the amount of payments that it issues to the Trustee.

The Trustee receives an amount from Challenger which is applied by the Trustee towards meeting the ongoing administration costs of the product, and the Trustee in return pays an amount to Challenger for administration services it provides to the Trustee. It does not alter the annual amount that is payable to you.

Additional explanation of fees and costs

Changing fees

We reserve the right to introduce new fees without your consent. We will give you at least 30 days' notice before any changes are made.

Financial advice fees

We have engaged Telstra Super Financial Planning Pty Ltd ABN 74 067 777 725, AFS Licence No. 218705 (TelstraSuper Financial Planning) to provide general advice to members about their TelstraSuper accounts over the phone at no additional cost.

TelstraSuper Financial Planning also provides personal and comprehensive advice over the phone, video and in-person, on a range of super and non-super matters. This can be done on a one-off basis or as part of an ongoing advice service. An advice fee is payable for some types of personal advice and for comprehensive advice.

Ongoing advice includes regular proactive contact and meetings with a dedicated financial adviser to help ensure your financial plan remains relevant and appropriate as your circumstances change.

For further information about the advice services available from TelstraSuper Financial Planning, refer to the **TelstraSuper Financial Planning Financial Services Guide** available at telstrasuper.com.au

Lump sum death benefits

Before you take any action to nominate a beneficiary or a reversionary life insured, you should consider seeking financial advice from TelstraSuper Financial Planning on **1300 033 166** as it may affect your estate planning.

What happens if you die?

Your family or Legal Personal Representative should contact us in the event of your death.

Who receives a death benefit if you die?

You have an option to nominate your Spouse as your reversionary life insured, which means that if they remain your Spouse as at your date of death, they will continue to receive your lifetime pension following your death. (See also section 11 which explains the nomination of reversionary life insured in more detail).

If you do not nominate a reversionary life insured, and also in some other cases, there may be a lump sum death benefit payable. For example, a lump sum death benefit may be payable if you don't have a reversionary life insured and you die in your withdrawal period, or if you do have a reversionary life insured but they pre-decease you and you die within your withdrawal period. (See the above sections which explain withdrawal periods and death benefits for the various RetireAccess Lifetime Pension types in more detail).

This section explains what happens if a lump sum death benefit is payable.

When you start a RetireAccess Lifetime Pension you can nominate one or more beneficiaries – a Dependant and/or Legal Personal Representative who can receive any death benefit. If your nomination is invalid for any reason at the date of your death, your death benefit will be paid at the Trustee's discretion to one or more of your Dependents and/or Legal Personal Representative or any other person permitted by law. Your death benefit may be paid to the ATO if it becomes classified as 'unclaimed money'.

Binding nomination

A binding nomination gives you certainty about who will receive any lump sum death benefit after your death.

A valid binding nomination means we must pay your death benefit according to your wishes. You can only nominate your Dependents or your Legal Personal Representative(s) as beneficiaries. A binding nomination must comply with legislative requirements including that it must be signed and witnessed by two people over 18 who are not nominated as beneficiaries. It is valid for three years and we'll advise you when your binding nomination is about to expire. If your binding nomination expires without renewal, then the nomination will be revert to non-binding.

Non-binding nomination

A non-binding nomination can be made without needing to be witnessed or updated every three years. We will take your non-binding nomination into consideration in the event of your death but will not be bound by it. You can nominate your Dependents or your Legal Personal Representative(s) as beneficiaries. Your non-binding nomination lasts throughout your membership of TelstraSuper, unless you elect to change it.

Keep your nomination up to date

If your circumstances change (e.g. you get married, divorced, or have a child), you may wish to make a new binding or non-binding nomination.

If you would like to view or renew your nomination, log into your SuperOnline account. If you would like to nominate, change or revoke your binding nomination, you'll need to complete a **Nomination of Beneficiary** form available at telstrasuper.com.au/forms The most recent nomination you make will override any previous nomination.

You can check and update your non-binding beneficiary details via your SuperOnline account.

Proof of death, and any other necessary death claim requirements will be required before a lump sum death payment will be processed.

Any death benefit amount will be paid into your accumulation account (one will be commenced if you do not have one already set up with TelstraSuper) and invested in the Cash investment option from the date we receive payment from Challenger Life until it is paid to your Dependents/Legal Personal Representative.

Nominating a reversionary life insured

The person who applies for a RetireAccess Lifetime Pension can nominate their Spouse at the outset of the pension to be the reversionary life insured*. This means that upon their death, the reversionary life insured will continue to receive the regular payments for the remainder of their lifetime. Please note, if you have a reversionary beneficiary nominated for any retirement income streams, that nomination will not apply for your RetireAccess Lifetime Pension.

You may only nominate one reversionary life insured who must meet the legal definition of Spouse under superannuation and taxation law (and they must continue to meet these definitions at the date of your death). Also, if you are applying for a Flexible Income (Deferred payments) pension, you can only nominate your Spouse if they are aged 65 or older at the time of purchasing the lifetime pension. There are no age restrictions for other types of RetireAccess Lifetime Pension.

Once your RetireAccess Lifetime Pension starts, you cannot **add** your Spouse, or **change** your nominated Spouse to a new Spouse. However, you can choose to **remove** your Spouse from your RetireAccess Lifetime Pension at any time in writing (but this will not cause the level of pension payments you receive to change).

If you die and the reversionary life insured is receiving the lifetime pension and then they die, the pension ceases. However, if the reversionary life insured dies within any applicable withdrawal period which remains, a lump sum amount will be payable and that will be paid to their nominated beneficiary (or beneficiaries) and/or their legal personal representative.

What happens if you die and you have nominated a reversionary life insured?

Your Spouse (or other family member or your Legal Personal Representative) should contact us in the event of your death. Satisfactory proof of death, and any other necessary death claim requirements will be required before a RetireAccess Lifetime Pension reverts to a reversionary life insured, and before any lump sum payable upon the reversionary life insured's death will be processed.

Important Information

How we communicate with you

We will contact you about your RetireAccess Lifetime Pension from time to time to provide you with important information such as statements, disclosure of material changes to your lifetime pension and significant events as required under law. We will also provide you with other information. We will send this to you electronically (where

possible) including via email, SMS or your online account (SuperOnline). Some communications will also be sent to you via mail. You can opt-out of receiving electronic communications by visiting telstrasuper.com.au/subscribe or SuperOnline or by calling us on 1300 033 166.

* You cannot appoint a reversionary life insured if you yourself are in receipt of a reversionary income stream and use any part of the balance to commence the RetireAccess Lifetime Pension.

Information you will receive after commencing a RetireAccess Lifetime Pension

After you decide to purchase your RetireAccess Lifetime Pension, you will be sent an Account Schedule, which will set out the relevant terms and conditions. We will also send you a Centrelink schedule for social security purposes. You should read these documents carefully and contact your financial adviser or call us if you have any questions.

Please keep your Account Schedule in a secure place, as it is an important document.

While we take all care in producing your Account Schedule and other investment documentation, we reserve the right to correct the documentation if we or Challenger make an administrative error.

Each year:

- You will receive an annual statement with details of your RetireAccess Lifetime Pension, including payments made over the period and other relevant information. These will be available on SuperOnline and can be mailed on request.
- For all payment options (except the no-indexation option) we will send you notification of an increase or decrease in your monthly payments due to payment indexation.

Confirming transactions

We confirm some transactions as required by legislation. To see your transaction history, log in to your SuperOnline account. Alternatively, you can call us to check any of your transactions.

Keeping us informed

It is important that we have the correct details for you and your Spouse (if you nominated them as a reversionary life insured) so that we can communicate with you and provide you with important information. To update your contact details, speak to your financial adviser or contact us.

Please note that payments may be recovered that were made (and may done by adjusting future payments) in reliance on any incorrect information that is provided to us where payments have been made in excess of those that would otherwise have been made had the correct information been provided.

Continuity Certificate and overpayments

Prior to the end of the withdrawal period and every six months thereafter, you (and any reversionary life insured) will be sent a form to complete as evidence of survival. Where you have chosen the Enhanced income option, you will be sent the form to complete every six months after the Commencement of the pension.

Information

If we don't receive evidence of your survival within a reasonable period regular payments will be discontinued. We will recover from you or your estate, any regular payment made after any date where it has been determined that regular payments should have ceased.

Reimbursement of overpayments

There may be instances where we overpay one or more monthly income payments to you in between the date you die and when we are informed about your death by your estate/beneficiaries. If no death benefit is payable from your RetireAccess Lifetime Pension, we will seek reimbursement for these overpayments, firstly, from your TelstraSuper accounts, and secondly, from your estate.

Withdrawal requests

Requests to withdraw must be made in writing and must be received by us before 5.00pm Sydney time on the last day of the withdrawal period. Before we can pay you the withdrawal value, the law requires that we have paid you a pro-rata amount of your regular payments for the relevant year (with each year commencing on the Commencement date or the anniversary of your lifetime pension).

Subject to any partial withdrawal made to roll over an amount that exceeds the transfer balance cap or where otherwise required by law, partial withdrawals are not allowed under the pension.

Generally, a withdrawal will be a superannuation benefit payment. If we pay it directly to you, you will not be able to roll it over again.

When family law matters arise

Family law provisions may affect your RetireAccess Lifetime Pension if you separate from your Spouse. Your RetireAccess Lifetime Pension may be split between you and your ex-Spouse. Under relevant law, your Spouse can request that we provide them with information about your RetireAccess Lifetime Pension. We are prohibited by law from telling you that your Spouse has made such a request. We will not provide your Spouse with your address or contact details.

There may be a fee in respect of requests for information from your Spouse; however, this is payable by your Spouse and is not payable by you. You and your ex-Spouse can, in certain circumstances, agree to instruct us (or a court can order us) to split your regular payments (and any lump sum payment). The split does not have to be in equal shares. If you have a question about your RetireAccess Lifetime Pension arising from a family law matter, information is available at telstrasuper.com.au/separation or by calling 1300 033 166.

Social security

Your RetireAccess Lifetime Pension will be assessed as follows:

Assets test	Income test
60% of the investment amount until age 84 (minimum of five years). 30% of the investment amount thereafter	60% of the regular payments received*

This is general information only, and we recommend you get advice regarding your individual circumstances. Your local Centrelink or Department of Veterans' Affairs (DVA) office can help answer any question you may have. Your financial adviser can also help.

While not required at present, in accordance with government requirements, we may be required to provide Centrelink and/or the DVA with details of a member's pensions electronically. For more information about this process, please call us on 1300 033 166.

For more information about your entitlements, please call Centrelink on 132 300 or the DVA on 1800 838 372.

Retirement Bonus

A retirement bonus is only payable when you set up a RetireAccess Retirement income stream. If you are intending to transfer funds from your RetireAccess Retirement income stream to start your RetireAccess Lifetime Pension there maybe financial consequences to the retirement bonus that you may have received. We recommend that you speak with us or your adviser about eligibility for a retirement bonus before you consider this product.

Privacy and personal information

Telstra Super Pty Ltd complies with the *Privacy Act 1988* (Cth) in relation to the privacy of your personal information and the *Health Records Act 2001* (Vic) and the Health Privacy Principles, in relation to your health information.

A copy of our Privacy Policy and Privacy Collection Statement is available at telstrasuper.com.au or by calling 1300 033 166. You can also obtain a copy of Challenger's Privacy Policy at challenger.com.au

Email: contact@telstrasuper.com.au

Further information

For further information about privacy, please contact the Privacy Officer:

Privacy Officer
TelstraSuper
PO Box 14309
MELBOURNE VIC 8001

Email: privacy@telstrasuper.com.au

* There will be no assessable income during the deferral period.

How to make a complaint

If you are dissatisfied with our products, services or staff please call us on **1300 033 166**. If the issue cannot be resolved during the call, it will be referred to the Complaints Officer. Alternatively, you can make a written complaint to:

Complaints Officer
TelstraSuper
PO Box 14309
MELBOURNE VIC 8001

Email: contact@telstrasuper.com.au

If your complaint is not resolved within 45 days or you are not satisfied with our handling of your complaint or decision we make in relation to your complaint, you may refer the matter to the Australian Financial Complaints Authority (AFCA).

AFCA is an external dispute resolution scheme that provides independent complaint resolution service for consumers in the financial system. Consumers can access AFCA free of charge.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Email: info@afca.org.au
Phone: 1800 931 678
Website: www.afca.org.au

Cooling-off rights

By law, you have a cooling-off right. This means you can change your mind after investing and ask for your money to be repaid (less any tax we are required to deduct from the amount invested and adjustments for interest rate and/or investment market movements).



Information

Your cooling-off request must be made in writing and must be received by us within 14 calendar days from the end of the fifth business day after the day you invested.

Requests should be sent to the address shown on the back cover of this PDS.

If you choose to close your RetireAccess Lifetime Pension your money will be returned to your accumulation account.

You cannot exercise your cooling-off entitlement after you have exercised any of the other rights of your TelstraSuper membership, such as receiving an income payment.

Ordinarily when choosing the Enhanced Income option, you will forgo the option of a death benefit/withdrawal value during a withdrawal period so as to receive a higher starting payment. However, if you have selected this option and change your mind within 14 days and you haven't exercised any other rights, you can request your money to be repaid to you as outlined above (less any tax and interest rate and/or investment market movements).

Insurance cover

Insurance cover is not available in RetireAccess Lifetime Pension.

Amending the governing rules or terminating TelstraSuper

The Principal Employer of TelstraSuper does not guarantee TelstraSuper and reserves the right to amend the governing rules of TelstraSuper or even to terminate TelstraSuper if changing circumstances make it necessary or advisable.

Unclaimed money

Your super benefit is considered to be unclaimed money in certain circumstances as defined in government legislation. Death benefits may constitute unclaimed money where we have not received the requested documents to progress a death benefit claim or where beneficiaries have not provided their payment instructions within a specified time frame. We are required by law to report and pay unclaimed super to the ATO.

Applications for repayment of unclaimed money may be made to the ATO. Visit the ATO website www.ato.gov.au for more information.

Glossary

Accelerated payment option

If you have chosen the Flexible Income (Market-linked payments) option, you may be able to choose to have higher starting pension payments by choosing the Accelerated payment option if you elect. The Accelerated payment option allows you to have an increased starting payment in exchange for lower future indexation. You can choose to reduce future indexation by between 1% p.a. and 5% p.a. The greater the reduction in future indexation, the greater the increase in starting payment. If you choose the Accelerated payment option, each year we will deduct your chosen indexation reduction percentage from the performance of your chosen market-linked index when determining your annual indexation rate. This is to reflect the fact that you have chosen to receive a higher starting payment. The Accelerated payment option can only be chosen at the start of your RetireAccess Lifetime Pension and you cannot remove the option or change your chosen indexation reduction percentage once your RetireAccess Lifetime Pension has started.

Account Schedule

Means a schedule of particular terms referable to the pension of the primary pensioner and, where nominated, the reversionary life insured.

Assessable income

The gross amount of income included on your tax return.

Assets test

A test by Centrelink and the Department of Veterans' Affairs (DVA) on the assets of an individual or a couple. If assets are over a certain level, you may not be eligible for the government age pension or DVA pension.

Business day

References in this document to a business day refer to a Sydney business day. A business day is from Monday through Friday (inclusive) and excludes any day that falls on a national holiday or a New South Wales public holiday (this does not include a public holiday that is a non-metropolitan New South Wales public holiday only), as published on the New South Wales Government's website.

Challenger Life

Challenger Life Company Limited ABN 44072486938, AFSL 234670, a life insurance company regulated under the *Life Insurance Act 1995* (Cth) and the issuer of the life policy that the Trustee uses to support the RetireAccess Lifetime Pension

Commencement date

Is the date specified on the relevant Account Schedule as the commencement of the pension.

Consumer Price Index (CPI)

The weighted average of the Eight Capital Cities Index as published by the Australian Statistician, to provide a general measure of price inflation for all Australian households.

Continuity Certificate

A form that may be issued to you every six (6) months, and which you will be required to complete to confirm that you are still alive.

Dependants

Your Dependants include your Spouse, children of any age (including adopted and stepchildren), and any person totally or partially financially dependent on you at the time of your death or any person with whom you have an interdependency relationship.

You can only nominate your Dependants or your Legal Personal Representative(s) as beneficiary of any lump sum benefit payable in the event of your death.

Direct Access

Is an investment option available to certain members of TelstraSuper that allows self-directed investing.

Enhanced Income option

Before starting a RetireAccess Lifetime Pension you can ask us to remove the withdrawal period and the death benefit in return for higher starting payments - called the Enhanced Income option. If you choose this option, your RetireAccess Lifetime Pension will never have a withdrawal value. The withdrawal period cannot be added back to your RetireAccess Lifetime Pension once it has started.

Family Law

Family Law or family law refers to any order or agreement that is made with respect to superannuation that is made in accordance with the *Family Law Act 1975* (Cth).

Income test

A test by Centrelink and the Department of Veterans' Affairs (DVA) on the income of an individual or a couple.

If income exceeds a certain level, government age pension or DVA pension entitlement will cease. If income is below this amount you may receive a full or reduced pension.

Indexation

The adjustment of income payments by means of a price index, in order to maintain the purchasing power of the income after inflation.

Interdependency relationship

You have an interdependency relationship with someone when:

- you have a close personal relationship, and
- you live together, and
- one or each of you provides the other with financial support, and
- one or each of you provides the other with domestic support and personal care.

You may also have an interdependency relationship with someone when you have a close personal relationship but do not satisfy the other criteria listed above by reason that either or both of you suffer from a physical, intellectual or psychiatric disability.

Legal Personal Representative

Generally, the person nominated by you to be the executor of your will or appointed to distribute your assets according to the laws of the relevant State or Territory (if you do not have a will). You can only nominate your Legal Personal Representative(s) or Defendants as your beneficiaries in a binding or non-binding nomination.

Principal Employer

Means the entity named as Principal Employer in the Trust Deed as at the date of this PDS.

Reversionary life insured

This term is also referred to as a reversionary spouse. If the person who purchases the pension (primary pensioner) elects for payments to continue to a nominated person when they die, the nominated person is referred to as the reversionary life insured. A reversionary life insured must meet the definition of being the primary pensioner's Spouse (for superannuation and tax purposes).

Spouse

Spouse means a person to whom you're legally married, a person whether of the same or a different sex with whom you're in a relationship that is registered under Australian State and Territory law, and a person whether of the same or a different sex with whom you're not legally married but who lives with you on a genuine domestic basis as a couple.

Trust Deed

The Trust Deed means the Telstra Superannuation Scheme Trust Deed, established on 13 June 1990, and as amended from time to time.

Trustee

Telstra Super Pty Ltd is the trustee of the Telstra Superannuation Scheme (TelstraSuper). The Trustee is responsible for properly investing TelstraSuper's assets and for protecting your rights as a member.

Voluntary Accumulation Account

For defined benefit members of TelstraSuper, an accumulation account which receives contributions in respect of the defined benefit member.

Withdrawal period

The period of time within which a withdrawal value is payable. Your withdrawal period is determined by Challenger when you commence your RetireAccess Lifetime Pension and is based on your life expectancy. It will be set out in your Account Schedule.

Withdrawal value

A withdrawal value is an amount you may be eligible to withdraw if you cancel your RetireAccess Lifetime Pension within the withdrawal period. The minimum withdrawal value will be no less than the amount prescribed under the *Life Insurance Act 1995* (Cth). The maximum withdrawal value starts at 100% of the purchase price of your RetireAccess Lifetime Pension and progressively reduces until it reaches zero at the end of the withdrawal period. If you die during the first half of your withdrawal period (rounded down to a whole year), a death benefit equal to 100% of the purchase price will be paid (less tax if applicable). If you die during the second half of your withdrawal period, the death benefit amount is matched to the withdrawal value which applies at the time of death.

How to start a RetireAccess Lifetime Pension

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Opening a RetireAccess Lifetime Pension is easy. Just follow the steps below:

Step 1: Prepare

Make sure you:

- read this PDS and the TMD carefully
- check you're eligible for RetireAccess Lifetime Pension
- decide which payment option suits you
- are aware of the tax issues that relate to a lifetime pension (see page 27)
- nominate a reversionary life insured or binding or non-binding reversionary life insured or binding or non-binding beneficiary (see pages 30-31).

Step 2: Decide

Decide your purchase price:

- Choose how much to transfer from your super.

Get all your money together first:

Once you've commenced a RetireAccess Lifetime Pension you can't add to it, so it pays to consolidate your money first.

If you open a lifetime pension then later have more money to invest (at least \$10,000), you can open a second RetireAccess Lifetime Pension account (up to a maximum of 3 at any one time).

Step 3: Obtain a payment quotation

Contact your TelstraSuper Financial Planning financial adviser or call us for an obligation-free payment quotation and application form. The regular payments that are offered are reviewed and updated regularly to reflect market conditions. Your quotation will be valid for 14 calendar days from the date on which it is provided.

Financial advice is just a phone call away

TelstraSuper Financial Planning can provide you with general advice over the phone about RetireAccess Lifetime Pension and your retirement planning options. There's no additional cost for this phone-based advice as it is included in your TelstraSuper membership. Call us on **1300 033 166**.

Step 4: Apply

Your RetireAccess Lifetime Pension will be issued once we accept your valid application.

To make a valid application you must include:

1. A valid quotation

Contact your TelstraSuper Financial Planning financial adviser or call us on **1300 033 166** for an obligation-free payment quotation.

A quotation is valid for 14 calendar days. The exception to this is where a member's birthday occurs within the 14-day period, in this instance the quotation will only be valid until the member's birthday.

That quotation must be included with your application. If your quotation has expired, then you will need to obtain another quotation before proceeding to application. A quotation will be re-run at the time of setting up the RetireAccess Lifetime Pension to determine if there are more favourable payment terms for you. If so, the more favourable payment terms will be applied and we will notify you of this. You can contact your financial adviser or call us on **1300 033 166** for an updated quotation.

2. A completed and signed application form

Ensure that all relevant sections of the application form are fully completed and that you sign the application form.

If your application form is not complete, we will not be able to proceed until the required information is received. In these situations, we will attempt to contact you and/or your financial adviser.

Your RetireAccess Lifetime Pension account will not start until all outstanding information is received by us.

3. Identity verification documents/information

In accordance with anti-money laundering and counter-terrorism financing legislation, we need verification of your identity and your reversionary life insured (if you opt for one) before your RetireAccess Lifetime Pension can start. The information that is required to be submitted is explained on the application form.

Your application can be accepted or rejected and a reason for refusal is not required to be given.



Information

You are able to securely upload your application form and other documents via SuperOnline.



Call us
1300 033 166



Email us
contact@telstrasuper.com.au



Visit the website
telstrasuper.com.au



Write to us at:
PO Box 14309
MELBOURNE VIC 8001