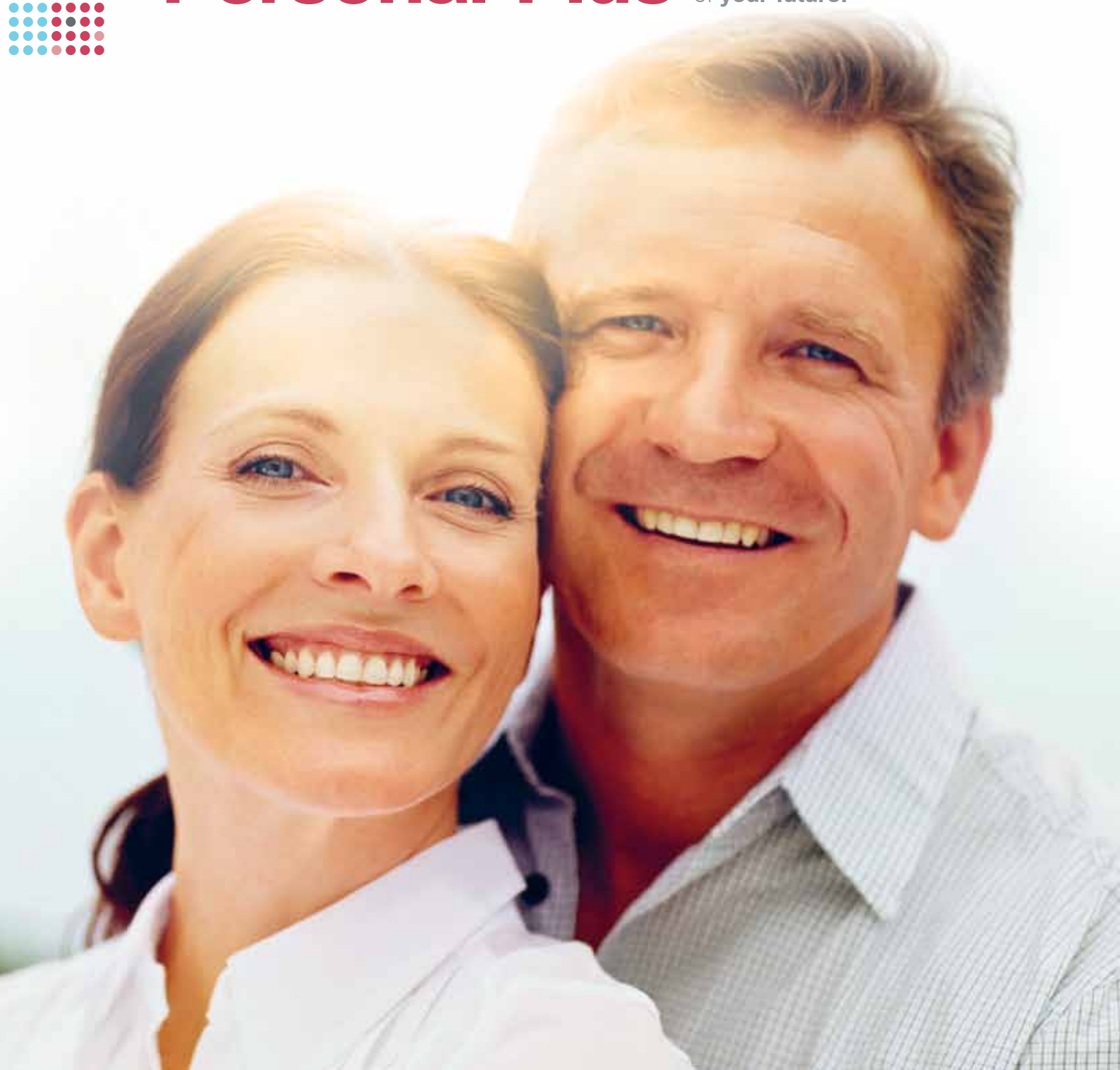


Telstra Super Personal Plus

Making the most
of **your future.**



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This Product Disclosure Statement outlines the main features and benefits of *Telstra Super Personal Plus* and how your account works. It is a summary of significant information and contains a number of references to important information (each of which forms part of the Statement). You should consider that information (which is set out in blue boxes) before making a decision about this product.

The advice in this product disclosure statement is general advice only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances before making an investment decision.

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01 / About Telstra Super and Telstra Super Personal Plus

Telstra Super is a superannuation fund that provides super benefits to current and former employees of Telstra, Foxtel, Sensis, Reach and other Telstra-associated companies (Telstra Group), as well as their eligible family members. *Telstra Super Personal Plus* has been specifically designed for former employees of the Telstra Group and their eligible family members.

Telstra Super's trustee is a company, Telstra Super Pty Ltd. The Trustee has a licence to deal in and provide general advice about superannuation products and acts on its own behalf.

02 / How super works

Superannuation is a partially compulsory long-term savings plan, designed to provide you with greater financial security and independence in retirement.

Your *Telstra Super Personal Plus* account is made up of:

Employer contributions (generally equal to 9% of your salary)

- + Member contributions (if you choose to make any)
- + Government co-contributions (if applicable)
- + Super you may roll in (transfer) from another super fund/s
- Management costs
- Insurance premiums
- Tax payable
- = Your units
- x Unit prices (after adjusting for buy/sell spreads)

= **Your super's value**

Employer contributions

Your employer makes contributions into your *Telstra Super Personal Plus* account equal to the amount needed to meet its Superannuation Guarantee (SG) obligation (or more if you have negotiated higher super contributions). The SG is the minimum amount of super your employer must provide for you by law. Currently, the SG rate is 9% of your ordinary time earnings (also known as your superannuation

salary). All contributions buy units in the default investment option, or the investment option(s) you have chosen.

Member contributions

With *Telstra Super Personal Plus* you can boost your super by making additional member contributions. You can choose to:

- get approval from your employer to make additional contributions from your pre-tax salary*
- make regular pre or post-tax member contributions each fortnight from your salary*
- start, stop or change the amount of your member contributions at any time
- make an additional member contribution as a one-off payment at any time.

There are limits on the contributions you can make, known as contribution caps. More information about contributions caps is outlined in section 7, 'How super is taxed'.

* Check with your employer whether you are able to make pre-tax contributions.



Government co-contributions

The Government may make co-contributions for members who make post-tax contributions and meet certain eligibility conditions (which include an earnings threshold).

Tax savings through superannuation

As an incentive for retirement savings, the Government provides concessional tax rates for super contributions and earnings.

Any pre-tax contributions, including employer contributions made from your pre-tax salary, and any deductible member contributions up to the pre-tax contributions cap are subject to a 15% contributions tax, rather than your marginal tax rate (plus Medicare Levy).

Investment earnings are also taxed at the concessional rate of up to 15%. This tax on earnings is deducted as part of the calculation of unit prices.

Your choice

Since 1 July 2005, Choice of Superannuation Fund law has required employers to offer most employees the choice of which fund their compulsory superannuation contributions are paid into.

To make sure your future employer contributions are made into your Telstra Super account, you can select Telstra Super on the Choice of Superannuation Fund Standard Choice form that your new employer gives you when you start your job. To obtain a copy call us on **1300 033 166** or visit **www.telstrasuper.com.au**

Preservation

Government legislation has placed certain restrictions on when you can access part of your super savings to help you save for your retirement. Your super benefit is generally divided into three parts: preserved, restricted non-preserved and unrestricted non-preserved.

Any part of your super savings categorised as 'preserved' must remain in an approved super arrangement until certain circumstances occur – such as you reach age 65, your death, Total and Permanent Disablement (TPD), or your permanent retirement from the workforce on or after preservation age.

The preservation age applicable to you depends on your date of birth. It gradually increases from 55 for members born before 1 July 1960 to 60 years for those born from 1 July 1964. Preservation rules only apply to Australian and New Zealand citizens, and permanent residents.

03/ Benefits of investing with Telstra Super Personal Plus

Telstra Super Personal Plus provides you with:

- benefits on retirement, resignation, retrenchment, death and disability
- a broad range of investment options for the conservative through to the aggressive investor
- security for your family through automatic* base death and Total & Permanent Disablement (TPD) insurance cover with optional income protection cover
- the option to apply for additional death cover up to any amount and additional TPD cover up to \$3 million in total
- access to expert financial planning advice at no additional cost
- competitive investment management fees
- secure access to your personal details through *SuperOnline*™ at **www.telstrasuper.com.au**
- various other features and benefits (such as access to a retirement income stream through *Telstra Super RetireAccess*)

* Conditions apply.

More information about the features and benefits of your super and of *Telstra Super Personal Plus* account are set out in the 'Additional information about your super' guide.

1. You should read the important information in the 'Additional information about your super' guide before making a decision. Go to **www.telstrasuper.com.au/pds**
2. The material relating to 'Additional information about your super' may change between the time when you read this Statement and the day when you sign the application form.

04/ Risks of super

Like any investment, there are risks associated with investing your super. Different investment options carry different levels of risk depending on the assets that make up those options. The investment option you choose will change in value over time and may perform differently at different times due to various factors.

You should also bear in mind that past investment returns are not necessarily a reliable indicator of future performance.

One of the challenging things about investing is the more you aim for higher returns, the greater the risks, including that you may experience negative returns. In other words, investment returns are not guaranteed and there is a risk you may lose some of your savings.

Superannuation is one component of Australia's retirement income system and, on its own, your super (including contributions and investment returns) may not provide the financial security you desire in retirement.

The significant risks of investing in *Telstra Super Personal Plus* are inflation, individual investment, market, interest rate, currency, derivative and manager risks along with changes to law.

The degree to which these risks affect your investments will depend on the option(s) you choose and their underlying assets. For further information, see Section 5, 'How we invest your money'.

Invest to suit you

Everyone has a different attitude towards risk and return. It is important to link your investment style to your age, investment timeframe, risk tolerance and any other investments you may have. Telstra Super Financial Planning can help you determine and understand your attitude to investment risk. Telstra Super Financial Planning is a wholly-owned subsidiary of Telstra Super and provides financial planning advice at no additional cost exclusively to Telstra Super members and their eligible family members. To make an appointment to see a planner call **1300 033 166** or email **appointments@telstrasuper.com.au**



More information about the risks of investing in Telstra Super is set out in the 'Investment Guide'.

1. You should read the important information about the risks of investing before making a decision. Go to www.telstrasuper.com.au/pds
2. The material relating to risks of investing may change between the time when you read this Statement and the day when you sign the application form.

05 / How we invest your money

As a *Telstra Super Personal Plus* member you can choose from a broad range of investment options, covering all major asset classes. We offer four diversified investment options: Growth, Balanced, Conservative and Defensive Growth; and five single asset class options: International Shares, Australian Shares, Property, Fixed Interest and Cash.

! When making a choice about the investment option(s) that best suits you, you should consider your age, investment timeframe and financial objectives, as well as the likely investment return and risk of the relevant option(s).

Default investment options

When you first become a *Telstra Super Personal Plus* member, if you do not choose an investment option(s), you are placed in the default option for your age group. You can choose to remain in your default option or change to another investment option.

Members aged under 60 who do not make an investment choice will be placed in the Balanced option by default, and will automatically transfer into the Conservative option upon reaching age 60, unless investment choice is exercised.

Details of the Balanced investment option can be found below.

Balanced option

Objective

To earn moderately high returns over the medium to long term.

Who should invest?

Members who are seeking growth but who wish to lower the risk of rapid changes in value over the short term. This option is designed to provide lower levels of risk and return than the Growth option, but higher returns than the Defensive Growth, Conservative and Cash options.

Investment strategy

The Balanced option has a moderate bias towards growth assets, such as Australian and international shares and property, balanced by an allocation towards financial assets such as Australian and international fixed interest securities and cash.

Return objective

CPI + 3% pa

Minimum investment timeframe

4-6 years

Risk of negative return

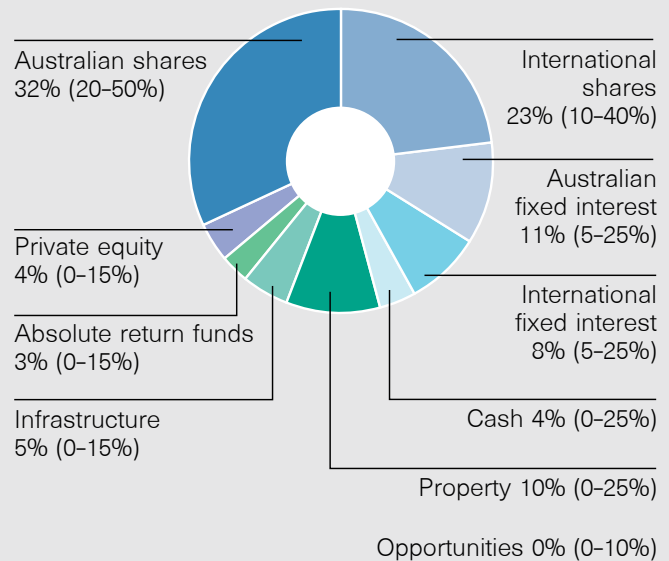
1 year in every 5

Balanced option target asset allocation*

74% growth assets, 26% financial assets

* The target asset allocation is used as a strategic guide for investing. The split of financial and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

Asset allocation and ranges



More information about all of Telstra Super's investment options is set out in the 'Investment Guide'.

1. You should read the important information about our investment options before making a decision. Go to www.telstrasuper.com.au/pds
2. The material relating to investment options may change between the time when you read this Statement and the day when you sign the application form.

06/

Fees and costs

Did you Know?

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

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

You should consider whether features such as superior investment performance or the provision of better member services justify the higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

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

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money or from the returns on your investment. You should read all the information about fees and costs because it is important to understand their impact on your investment. The table below can be used to compare costs between Telstra Super and other superannuation products.

Type of fee or cost	Amount
Fees when your money moves in or out of the fund	
Establishment fee	nil
Contribution fee	nil
Withdrawal fee	nil
Termination fee	nil
Management costs	
The fees and costs for managing your investment	Member fee \$1.50* per week + Administration fee 0.2% of balance p.a.† + 0.49%† p.a. of your account balance for the Balanced investment option¹

* Deducted from your account at the end of each quarter or when you leave the fund. This fee is not negotiable.

† Deducted daily in the calculation of unit prices. This fee is not negotiable.

¹ The investment management fee portion of the management costs is an estimate based on the current internal and external costs of managing investments in each of the investment options based on recent asset allocations, including costs charged by external investment managers used, performance fees and custodial costs. The exact cost of managing your investment will vary from time to time. If you have more than one investment option, the fee deducted from gross investment earnings will be apportioned. Investment management fees do not include transaction costs for member-initiated investment transactions. For 2011/2012 we estimate the Balanced investment option management fee may increase by approximately 0.02% (i.e. 0.51% pa).

Example of annual fees and costs for the Balanced investment option

This table gives an example of how the fees and costs in the Balanced investment option for *Telstra Super Personal Plus* can affect your superannuation investment over a one year period. Use this table to compare this product with other superannuation products.

Example		
The Balanced investment option		Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	nil	For every \$5,000 you put into the fund, you will be charged \$0.
PLUS Management costs	0.69% + \$1.50 per week	And, for every \$50,000 you have in the fund, you will be charged \$423 each year.
EQUALS Cost of fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you will be charged fees of: \$457.50* What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or your financial adviser.†

* Additional fees may apply.

† As mentioned above, the relevant fees are not negotiable.



Additional explanation of fees and costs

Changing fees

The fees set out on page 5 may be varied without your consent. Telstra Super will give you at least 30 days notice of any proposed increase to our fees. Investment management fees are based on a number of variable factors and will vary from time to time. Telstra Super's fee structure is consistent across all accumulation products.

More information about the fees and costs of Telstra Super's investment options and fees and costs generally is set out in the 'Fees and other costs' section of the 'Additional information about your super' guide.

1. You should read the important information about fees and costs before making a decision. Go to www.telstrasuper.com.au/pds
2. The material relating to fees and costs may change between the time when you read this Statement and the day when you sign the application form.

07/ How super is taxed

Investing in super generally offers taxation advantages because super is taxed at a lower rate than most other forms of income.

Contributions tax

Pre-tax contributions, including employer contributions made from your pre-tax (gross) salary, and any voluntary member contributions are subject to a 15% contributions tax, until you reach the pre-tax contributions cap. Above the cap an excess contributions tax is applied. At present, the cap is \$25,000 per person, per year, but is doubled for those aged over 50. Full details on contributions caps are outlined in the Contributions fact sheets available on our website.

Post-tax contributions are not subject to any further tax, but are capped at \$150,000 per person, per year. Breaching this cap will also result in excess contributions tax being applied.

Contributions tax is deducted from your account at the end of each quarter or when you leave Telstra Super.

Excessive contributions tax

The ATO will notify individuals of their excess contributions tax liability, if your contributions exceed the caps. You should monitor your own contributions to ensure you do not breach your caps.

❗ If you exceed the contribution caps, additional tax will be payable. Tax on excess pre-tax contributions is an additional 31.5% and may be paid 'out of your pocket' to the ATO or you may instruct Telstra Super to release funds from your account to meet the liability. Tax on excess post-tax contributions is an additional 46.5% but cannot be paid 'out of your pocket'. You must nominate a super fund to release monies to meet the liability.

Tax on investment earnings

Investment earnings are taxed at a concessional rate of up to 15%. Investment earnings applied to your super account are net of tax and investment management fees. These are taken out as part of the calculation of unit prices.

Tax on benefit payments

Generally, if you receive a lump sum benefit payment (e.g. a retirement benefit) from your account on or after age 60, the payment will be tax free.

However, the tax treatment of benefit payments received in other circumstances (e.g. if you are under age 60, if you die, if you become disabled, etc) will be different. In these other circumstances, the tax treatment is more complicated and generally less favourable. Among other things, the tax treatment will depend on your age, whether the benefit consists of a tax free component and whether the benefit, in the case of your death, is paid to a death benefit dependant.

Tax on roll overs

Generally, if your benefit is rolled over to another superannuation fund, no tax will be payable on the rollover itself.

❗ Tax File Numbers

When you join *Telstra Super Personal Plus* your employer will provide your Tax File Number (TFN) to Telstra Super. If Telstra Super does not receive your TFN:

- post-tax contributions cannot be accepted by Telstra Super.
- pre-tax contributions will be taxed at 46.5% (rather than 15%), with refunds only being given if your TFN is provided to Telstra Super within four years of the date of the contribution being made.

To find out whether we have your TFN on record, or to provide us with your TFN, please call 1300 033 166 or login to *SuperOnline* at www.telstrasuper.com.au. If we don't have your TFN, you should provide it to us.

More information about taxation and your super is set out in the 'How contributions are taxed' section of the 'Additional information about your super' guide.

1. You should read the important information about taxation and your super before making a decision. Go to www.telstrasuper.com.au/pds
2. The material relating to taxation may change between the time when you read this Statement and the day when you sign the application form.

08/

Insurance in your super

Death and Total & Permanent Disablement (TPD) cover

Current Telstra Super members

Telstra Super Corporate Plus and *Sensis Super Plus* members transferring their benefit insured by TAL Life Limited (TAL) will have their current level of death and TPD or death cover transferred to *Telstra Super Personal Plus*. Your previous level of cover will be split between base cover and top-up cover, to the same total value, without the need for assessment by TAL.

Members with death only cover transferring from *Telstra Super Casuals* will automatically* receive age-based death and TPD cover. If you do not satisfy the definition of Active Employment as at the date TPD cover commences in *Telstra Super Personal Plus* your TPD cover will be Limited Cover until such time as you satisfy the definition of Active Employment. If you had top-up death and TPD cover in *Telstra Super Casuals*, this is the amount you will receive in *Telstra Super Personal Plus*.

Defined Benefit members will receive age-based death and TPD cover. If you had top-up death and TPD or death cover in your previous arrangement, this will continue in *Telstra Super Personal Plus*.

Current members level of base death and TPD cover is determined by their age[†] next birthday and ranges between \$155,194 (for a 15 year old) to \$12,254 (for a 65 year old). The level of base death cover is determined by member's age next birthday and ranges between \$155,194 (for a 16 year old) and \$5,676 (for a 75 year old). The level of top up cover transferred, if any, will depend on the member's age and salary for insurance purposes.

Your insurance arrangement with *Telstra Super Personal Plus* will commence upon transfer into *Telstra Super Personal Plus* and new premium rates will apply.

If you are not eligible for automatic base death or TPD cover, you can apply to be underwritten for (voluntary) top-up death and TPD cover.

Premiums for age based death and TPD cover are \$1.92 per week. Premiums for age based death cover are \$1.00 per week. Annual insurance premiums for top-up death and TPD cover transferred to *Telstra Super Personal Plus* currently range between 23 cents (for a 27 year old female) and \$12.31 (for a 65 year old male) per \$1,000 sum insured. Annual insurance premiums for top-up death cover transferred to *Telstra Super Personal Plus* currently range between 17 cents (for a 29 year old female) and \$10.34 (for a 75 year old male) per \$1,000 sum insured.

If at any time during your membership your account balance is below the amount required to pay your insurance premiums, your cover may be cancelled. Should your insurance be cancelled you can reapply at a later date, subject to assessment by TAL.

Prospective Telstra Super members

New members of *Telstra Super Personal Plus* automatically receive age-based death and TPD or death insurance cover without having to provide evidence of health and lifestyle, subject to satisfying basic eligibility criteria and other conditions.[‡] Cover will commence as soon as your membership is accepted by Telstra Super.

If you are not eligible for automatic base death or death and TPD cover, you can apply to be underwritten for voluntary top-up death or death and TPD cover.

New members level of age based death and TPD cover is determined by their age next birthday and ranges between \$155,194 (for a 16 year old) to \$12,254 (for a 65 year old). Premiums for base death and TPD cover are \$1.92 per week.

The level of age based death cover is determined by a member's age next birthday and ranges between \$155,194 (for a 16 year old) and \$5,676 (for a 75 year old). Premiums for base death cover are \$1.00 per week.

If at any time during your membership your account balance is below the amount required to pay your insurance premiums, your cover may be cancelled. If your account balance is zero your account may be closed. Telstra Super will notify you prior to cancelling your insurance or closing your account.

Voluntary top-up cover[^]

You can apply to increase your level of insurance cover at any time. Any insurance in addition to your base level of cover is referred to and reported as top-up cover and top-up cover premium rates apply.

You can apply for any amount of top-up death cover or up to \$3 million total TPD cover. You will need to supply evidence of your occupation, health and lifestyle, which will be assessed by TAL. The premium rates for voluntary top-up cover are the same as those stated under the 'Current Telstra Super members' section.

Insurance premiums

All insurance premiums applicable will be deducted from your *Telstra Super Personal Plus* account at the end of each quarter or when you leave the fund. If you apply for top-up cover, or income protection cover these premiums will also be deducted from your account at the end of each quarter or when you leave the fund.

* Members who are aged 75 or over are ineligible for automatic death insurance cover. Members who are aged 65 or over are ineligible for automatic TPD insurance cover, or if they have previously received a TPD payment from Telstra Super. Other conditions apply. Automatic age based death and TPD cover does not apply to members who have been underwritten for TPD cover whilst a *Telstra Super Casuals* member.

† All references to age are as at last 1 July.

‡ Former employees and eligible family members must complete the *Telstra Super Personal Plus* Application. Family law members receive age based death cover only.

[^] Referred to as 'Voluntary cover' in the TAL policy.

Changing or cancelling your cover

You can apply to make changes to your insurance cover (including to cancel it) at any time, by completing a Change of Insurance form and returning it to us. If you cancel any insurance cover and wish to reapply at a later date evidence of your occupation, health and lifestyle will need to be provided. Applications for cover will be assessed by the fund's insurer, TAL.

To apply for top-up insurance you need to complete a Change of Insurance form and a Personal Statement. Both are available from our website or by calling **1300 033 166**.



More information about insurance is set out in the 'Telstra Super Personal Plus Insurance Guide'. Among other things, this information includes details about your eligibility for cover, cancellation of cover, other conditions and exclusions that apply, and tables setting out levels of cover and premium rates for top-up death, death and TPD and income protection cover. These matters may affect your entitlement to insurance cover. You should read the insurance information before deciding whether the insurance is appropriate.

1. You should read the important information about insurance in your super before making a decision. Go to www.telstrasuper.com.au/pds
2. The material relating to insurance may change between the time when you read this Statement and the day when you sign the application form.

09 / How to open an account

There are two ways to open a *Telstra Super Personal Plus* account. The way that applies to you depends on your relationship with Telstra Super.

Current Telstra Super members

When you leave employment with the Telstra Group your super benefit is automatically transferred into a *Telstra Super Personal Plus* account.* Therefore there is no need to complete any paperwork if you decide to stay with Telstra Super - we will organise it all for you.

Prospective Telstra Super members

If you are a former employee of the Telstra Group, or an eligible family member you will need to complete a *Telstra Super Personal Plus* Application form, available with this product disclosure statement.

To open a *Telstra Super Personal Plus* account you must be aged 18 or over and meet the criteria of a former employee or eligible family member.

Cooling off period

If you are a former employee or eligible family member joining *Telstra Super Personal Plus* you have 14 days to decide if this is the right choice for you. The 14 days start from either when your welcome letter is received by you, or five days after your investment is accepted, whichever is earlier.

* Members with an insurance claim in progress cannot be automatically transferred.

Resolving issues

At Telstra Super Pty Ltd we will try our best to solve your issues over the phone in a prompt manner. Please call **1300 033 166** and let us know if you have an issue. If it cannot be dealt with over the phone, you can write to:

Complaints Officer
Telstra Super Pty Ltd
PO Box 14309
MELBOURNE VIC 8001

The Complaints Officer will review your issue and work to resolve the problem as soon as possible. If, after review or a period of 90 days has passed, we cannot assist you and you would like to take the matter further, please contact the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Commonwealth Government to help members and beneficiaries to resolve certain complaints with their super. The SCT may be able to help you resolve a complaint with Telstra Super Pty Ltd, but only if you have first made use of our internal complaint handling process. You can telephone the SCT on 1300 884 114.

Telstra Super toolkit

On joining Telstra Super, you will receive access to a collection of useful tools and services to help build your knowledge and plan for your eventual change in lifestyle:

- Telstra Super Simulator, to calculate and project your retirement income, and stress test it against various market fluctuations
- access to expert financial advice at no additional cost
- Super Bites education videos that explain super concepts in a few short minutes
- regular newsletters and publications to keep you up to date with super and retirement planning news and information
- access to *SuperOnline*, our secure member portal to keep an eye on your account and make changes to your account
- free registration to an extensive series of educational seminars on retirement planning, held around the country.

Visit www.telstrasuper.com.au/toolkit to see what you will enjoy as a member.