

## Flagging defined benefit arrangements

If the super is in a defined benefit arrangement and the member who owns the defined benefit account is about to leave employment, a decision can be made not to calculate the split amount until the member leaves employment. Instead the benefit can be flagged which puts a restriction on the benefit until it becomes payable so that no withdrawals or payments can be made without the agreement.

When the benefit does become payable, Telstra Super will notify both parties (or the Court if the flag has been established via a court order) and request further instructions on what to do with the benefit.

# Super facts

## Family Law and your super

TelstraSuper

This factsheet outlines how Telstra Super manages and administers the splitting of superannuation assets as a result of the break-up of a relationship.

Superannuation represents one of the largest assets for many Australian couples, second only to the family home. Like any other asset in a relationship break-up, superannuation can be split.

The information in this factsheet is only applicable to Telstra Super members and their spouses who want to find out how superannuation can be split under family law superannuation agreements or court orders made after 28 December 2002.\* Read on to find out how Telstra Super manages and administers the splitting of superannuation assets.

### Requesting information about a superannuation benefit

Before a couple can work out how (or whether) to split a superannuation benefit, they will need to determine how much superannuation is available to be split.

To do this simply complete a Request for Family Law Information form and mail or fax it back to us.

For a copy of this form please contact one of our Member Services Consultants on **1300 033 166**, between **8.00am** and **5.30pm** (Melbourne time), Monday to Friday or download a form from our website at **[www.telstrasuper.com.au](http://www.telstrasuper.com.au)**

Telstra Super can only provide information about the relevant super benefit held with Telstra Super. All requests for information are treated in the strictest confidence and will not be divulged to the other party. Telstra Super does not charge for the first request, but may charge \$50 for subsequent requests.


This information is general advice only and does not take into account your individual objectives, financial situation or needs. Before acting on any advice you should assess whether it is appropriate for you and consider talking to a financial adviser. Before making any decision about acquiring any product, you should obtain and review its product disclosure statement, available at [www.telstrasuper.com.au](http://www.telstrasuper.com.au) or by calling 1300 033 166.


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 **Call**  
1300 033 166  
8.00am to 5.30pm (Melbourne time)  
Monday to Friday

 **Fax**  
03 9653 6060

 **Web**  
[www.telstrasuper.com.au](http://www.telstrasuper.com.au)

 **Write**  
Telstra Super Pty Ltd  
PO Box 14309  
MELBOURNE VIC 8001

 **Visit**  
Telstra Super Member Centre  
Foyer, 242 Exhibition Street  
MELBOURNE VIC 3000

\* Since 1 March 2009 this includes couples in a de-facto relationship including same sex partners, except in SA and WA.

## What information can you expect to receive?

The information you can expect to receive will vary, depending on the superannuation account type.

### The following information can be provided for accumulation accounts:

1. Statement of Member Withdrawal Benefit – giving the total withdrawal benefit, tax and preservation information.
2. Standard Statement of Member Account – additional historical account information. We will generally provide you with this information, unless advised otherwise.
3. Statement of Member Account with Additional Valuation Information – extensive historical information including account balances at certain member statement dates and account withdrawals during prescribed periods. If you require this statement, please first seek independent advice.

### The following information can be provided for defined benefit accounts:

1. Statement of Member Withdrawal Benefit – total withdrawal benefit, tax and preservation information.
2. Statement of Gross Value of the Interest – balance calculated under the Family Law Regulations together with additional historical information.
3. Standard Statement of Member Account – all details in Statement of Gross Value of the Interest and detailed historical information. We will generally provide you with this information, unless advised otherwise.

### The following information can be provided for Telstra Super RetireAccess® accounts:

1. Statement of Member Withdrawal Benefit – details the total withdrawal benefit.
2. Standard Statement of Member Account – total withdrawal benefit and additional historical information. We will generally provide you with this information, unless advised otherwise.

## When can I expect to receive the information?

Provided that all of the required information has been provided on the Request for Family Law Information form and the form is correctly completed, we will generally provide the information within 14 days of receipt of the request.

## Superannuation Agreements

If parties reach an agreement on how to split the superannuation benefit, a copy of the superannuation agreement can be sent to Telstra Super. This agreement needs to be in a particular format for Telstra Super to be able to act upon it - please seek legal advice about establishing a superannuation agreement.

### Court Orders

If parties do not make a superannuation agreement, they may obtain court orders instead. If parties split a benefit by court order, Telstra Super will only be bound by the order if parties give sufficient notice of the court application/proceeding, so that Telstra Super has the opportunity to be heard. This applies even if the court order is obtained by agreement of the parties.

With regards to agreements or orders, the most effective method for splitting a benefit is for the parties to agree on the amount to be split.

Telstra Super will need to be advised of this split amount so that the agreed amount can be deducted from the member's account. This split will take place on or around the date the order or agreement is received by Telstra Super.

## Process for splitting a benefit

### Splitting an accumulation account or a retirement income stream

Accumulation accounts and retirement income streams (account based income streams and term allocated pensions) can be split immediately following Telstra Super receiving the court order or superannuation agreement. Telstra Super will send a payment notice to the former spouse receiving the new benefit (the non-member spouse). The non-member spouse will have the following choices:

- transfer their portion of the benefit into a new Telstra Super account in their name
- transfer the benefit to another super fund, or
- take the money out as cash (release conditions may apply).

The non-member spouse will have 28 days from receipt of the payment notice to decide what to do with their portion of the benefit. During the 28 days, their portion of the benefit will continue to accrue interest at the same rate as the member's super investment. If we do not receive a response within the 28 day period we will assume that the non-member spouse is happy to leave their money with Telstra Super and the money will be transferred into *Telstra Super Personal Plus*. The money will be invested in the appropriate age-based default investment. For more information about age-based default options refer to the *Telstra Super Personal Plus* Product Disclosure Statement.

Once you become a Telstra Super member you will have investment choice - that means you can switch your money to an investment option that suits your circumstances.

With *Telstra Super Personal Plus* there are no entry or exit fees. You pay low member and administration fees and competitive investment management fees.

### Splitting super for defined benefit arrangements

This process is only applicable to *Telstra Super Division 5*, *Telstra Super Division 2* and *Sensis Super Plus* Defined Benefit accounts.

A Defined Benefit cannot be split following receipt of a court order or agreement until certain circumstances occur (e.g. when the member ceases work with their current employer). That means the non-member spouse will have to wait for their portion of the benefit to be transferred to them.

In addition, a split from a Defined Benefit account is characterised as a preserved benefit in the hands of the non-member spouse. This means that the non-member spouse will have to satisfy their own condition of release before they can take their entitlement in cash. During this interim period Telstra Super will report annually to the non-member spouse on the value of their benefit.

When a benefit eventually becomes payable to the member, Telstra Super will contact the non-member spouse to find out what they want to do with their portion of the benefit. The non-member spouse will have the following choices:

- transfer their portion of the benefit into a new Telstra Super account in their name
- transfer the benefit to another super fund, or
- take the money out as cash (release conditions may apply, see above).

The non-member spouse will have 90 days from receipt of the payment notice to decide what to do with their portion of the benefit. During the 90 days, their portion of the benefit will continue to accrue interest at Average weekly ordinary time earnings (AWOTE) + 2.5%.

If we do not receive a response within the 90 day period we will assume that the non-member spouse is happy to leave their money with Telstra Super and the money will be transferred into *Telstra Super Personal Plus*. The money will be invested in the appropriate age-based default investment. For more information about age-based default options refer to the *Telstra Super Personal Plus* Product Disclosure Statement.

Once you become a Telstra Super member you will have investment choice - that means you can switch your money to an investment option that suits your circumstances.

The process for splitting a benefit differs depending on whether the benefit is an accumulation account, a defined benefit or a retirement income stream.