

member **guide**



CSS members employed by Airservices Australia

welcome

Superannuation is an important part of planning for financial security for you and your family. While the main purpose of superannuation is to protect your standard of living in retirement, it also offers protection against the financial consequences of death or disablement during your working life.

As a member of the Commonwealth Superannuation Scheme (CSS), your main superannuation benefits are provided through that scheme. However as an employee of Airservices Australia you are also a member of AvSuper for your 3% Award benefit.

This booklet explains the main features and benefits of AvSuper as they relate to your compulsory defined benefit membership. You also have the option of making voluntary contributions to the accumulation section of the Fund. You should read a **Guide to AvSuper for Corporate Members** available from our website before opening an accumulation account.

As an AvSuper member you will receive an annual report that provides information on the Fund's investments, financial progress and overall operations for the previous financial year.

We recommend you read this member guide carefully and keep it for future reference. After all, superannuation is one of your most important investments.

More information about the Fund and its operations can be found on our website **www.avsuper.com.au**.

This booklet explains the Fund and its benefits in simple terms and is a summary of the relevant provisions of divisions 2 and 4 of the Fund's governing legal document, the Trust Deed. If there is any discrepancy between this booklet and the Trust Deed, the Trust Deed will be the final authority. This booklet covers benefits and conditions, as at July 2010. It should be read in conjunction with other information issued by the Trustee including the latest annual report.

Issued by AvSuper Pty Ltd ABN 46 050 431 797, Australian Financial Services Licence No. 239078 and Registrable Superannuation Entity Licence Number L0000147, as Trustee of the AvSuper Fund (AvSuper) (R1000153).

contents

| | |
|--|-----------|
| what AvSuper means for you | 2 |
| how AvSuper works for you | 3 |
| fees and expenses | 4 |
| membership | 4 |
| contributions | 4 |
| member investment choice | 6 |
| your AvSuper benefit | 7 |
| receiving your benefit | 8 |
| retaining your benefit in AvSuper | 9 |
| taxation matters | 10 |
| other important information | 12 |
| useful definitions | 15 |

what AvSuper means for you

As a CSS member employed by Airservices Australia, your 3% Award benefit is provided through the defined benefit section of AvSuper.

You can also contribute to an AvSuper accumulation account which enables you to access the advantages of both benefit designs.

Defined benefit members have the option of transferring their Award benefit to the accumulation section. For more information about the transfer option you should read the ***transfer guide - defined benefits or accumulation?*** available from the Fund's website www.avsuper.com.au.

All AvSuper members have access to a range of features

- Member investment choice for accumulation members – see page 6
- Ability to split contributions made to the accumulation account with your spouse – see page 5
- Transfer of other superannuation money to the Fund – see page 6
- Access to retirement income streams – see page 9
- Access to insurance cover - see page 7
- Access to qualified financial planning advice for a commission-free fee through our strategic alliance with Outlook Financial Solutions (ABN 40 083 233 925, AFSL 240959).

how AvSuper works for you

Benefits payable are defined by a formula and are not affected by the AvSuper's investment earnings. Your employer bears the investment risk.

If you have an AvSuper accumulation account, the money you contribute is invested according to the investment option you choose. Interest, either positive or negative, is applied at the rate earned by the investment strategy you have chosen. In the accumulation account you bear the investment risk. Details of the Fund's investments and how those investments have performed over previous years are contained in the Trustee's annual report and also on our website. More information on investment choice is provided on page 6.

Your final benefit includes the defined benefit and the balance of your accumulation account, if you have one.

As a CSS member in the defined benefit section, you build-up a benefit multiple of 3% (.03) of Final Average Salary (FAS) each year or part year of your Fund membership.

Your FAS is the average of your superannuation salaries on the three birthdays before you leave Airservices.

Your superannuation salary is the normal base salary you were receiving on your last birthday. In certain circumstances, allowances such as higher duties and shift penalties may be included in superannuation salaries. Airservices Australia advises AvSuper of your superannuation salary and any questions on how these are determined should be directed to them.

The superannuation salary will always be the full-time equivalent salary even if you are working part-time or are on leave without pay or on reduced pay.

The growth of your multiple will be impacted on by periods of part-time service and some periods of unpaid leave. You should contact your employer to discuss the impact if you are considering working part-time or going on periods of unpaid leave in excess of 84 days.

An example of how your 3% award benefit is calculated is as follows:

If you commenced with the Fund on 1.7.90 and retired on 30.6.05 with a FAS of \$90,000, you would receive a benefit of \$40,500 (i.e. 15 years times .03 times \$90,000).

Family Law

Superannuation forms part of the marital property of divorcing couples. At the request of members, their spouses or their legal advisers, the AvSuper will provide information about members' benefits. These benefits may be split by court order or agreement. Please contact us if you would like further information on the effect of Family Law legislation on your superannuation.

fees and expenses

Defined benefit section

All expenses associated with the defined benefit section of the Fund i.e. administration fees, investment management fees, taxes, custodian fees, and contributions tax are deducted from Fund assets and have no impact on your benefit.

Accumulation section

Some fees in the accumulation division are deducted from your account balance and others are deducted as part of the unit pricing. You should read carefully the section of a **Guide to AvSuper for Corporate Members** relating to fees and charges and the impact these will have on your benefit.

membership

Your membership of AvSuper is an automatic benefit of working for Airservices Australia.

contributions

You are unable to make personal contributions to the defined benefit account. However, you may contribute to the accumulation account from your post tax salary or, if your employer agrees, from your pre-tax salary through salary sacrifice. You can initiate regular contributions to your accumulation account by completing a **change of contributions form** available from our website or by calling us on 1800 805 088.

You can also make lump sum contributions at any time by personal/bank cheque or direct deposit into our bank account.

You can contribute up to \$150,000 each financial year in non-concessional (post-tax) contributions if you meet the eligibility requirements. You will be eligible if:

- we have your tax file number, and
- you are aged 64 or younger, or
- you are aged 65 -74 and you satisfy the 'work test', meaning that you worked 40 hours during consecutive 30 days in the relevant financial year.

Once you reach age 75 we are no longer able to accept non-concessional contributions regardless of your work situation.

The limit applies to the 2009/10 and 2010/11 financial years.

If you are aged under 65, there is a 'bring-forward' option available that allows you to make non-concessional contributions of up to \$450,000 over a three year period. For example, you could contribute \$450,000 in the 2009/10 financial year but you would then be unable to make further post-tax contributions until the 2012/13 financial year. Any non-concessional contributions in excess of the prescribed limit will be taxed at 46.5%. This tax will be levied on you personally. You must instruct the Trustee to release monies from your account to pay the tax.

The Trustee cannot accept contributions in excess of the cap where it is aware you have exceeded the cap, and will return the excess contributions to you without interest.

You can make contributions from before tax money (salary sacrifice). These are called concessional contributions. Your employer contributions to AvSuper are also counted as concessional contributions. The annual limit on concessional contributions is \$25,000. However, if you are aged 50 or over the annual cap will be \$50,000 until 30 June 2012. If you turn 50 before 30 June 2012 your annual cap will also be \$50,000 from the financial year in which you turn 50 until 30 June 2012.

You will need to contact CSS to find out how these limits affect your account. Any concessional contributions in excess of the prescribed limits will be taxed at an additional 31.5% (on top of the 15% contributions tax paid when the contributions are received by AvSuper), levied on you personally and the excess will also be counted against the limit imposed on non-concessional contributions. You may instruct the Trustee to release money from your account to pay the additional tax, or you may make alternate arrangements to meet the liability.

The \$25,000 limit detailed above applies to the 2009/10 and 2010/11 financial years. The \$50,000 transitional limit will not be indexed for future years.

The work test referred to on page 4 must be satisfied before members aged 65 - 70 can make concessional contributions. Members cannot make concessional contributions after age 70. Please contact us if you would like more information on this.

Funds will advise the ATO each year of the contributions you and your employer have made to allow them to assess if any additional tax is payable.

Contribution splitting

You can also split any salary sacrifice contributions made to your accumulation account with your spouse. After the end of each financial year you can elect to transfer a percentage of the contributions made in that year to your spouse's superannuation account, regardless of whether this account is in AvSuper or with another fund.

Superannuation co-contribution

Since the 2003/04 financial year the Commonwealth Government has been providing eligible individuals with a superannuation co-contribution to help them save for their retirement.

The current eligibility requirements to receive a co-contribution for the 2010/11 financial year are that:

- you have made personal non-concessional superannuation contributions in that year. Concessional contributions or contributions made on your behalf by a third party, e.g. your spouse or employer, are not considered personal superannuation contributions
- your total income (assessable income plus reportable fringe benefits less expenses incurred in carrying on your business if you are self employed) for that year is less than xxx\$61,920
- you have not held an 'eligible temporary resident visa' at any time during the year
- you have lodged an income tax return for the year
- you are less than 71 years old at the end of the financial year.

If your total income is \$31,920 or less the Government will put \$1.00 into your superannuation fund for every \$1 in personal contributions you make. Only personal contributions up to \$1,000 will attract the co-contribution, making \$1,000 the maximum that you can receive from the Government. The amount the Government contributes will reduce by 3.333 cents for each dollar by which your total income exceeds \$31,920.

contributions (cont.)

Eligible spouse contributions

You can open an account with AvSuper for your spouse and other family members. More information on this is included in **AvSuper's Public Offer Product Disclosure Statement** available from the AvSuper website or by calling us.

Contributions you make on behalf of a spouse may attract a tax offset - please refer to page 11 for more information.

Rolling over to AvSuper

While you are a member of the CSS you cannot roll over your benefit from that scheme. However, if you have a benefit in another complying superannuation arrangement, e.g. a private sector superannuation fund, a retirement savings account or an approved deposit fund or you become entitled to receive your CSS benefit, you can roll over any cash benefit to AvSuper.

You will need to complete the **Rollin whole balance from another super fund form** included on our website and send it to your old fund together with the necessary identification documents outlined on the form.

To complete that form you will need AvSuper's phone number (1800 805 088), ABN (84 421 446 069) and your member number. AvSuper does not have a Superannuation Product Identification Number (SPIN).

There is no entry fee on amounts rolled over to AvSuper but your old fund may charge an exit fee. You should also check if you will lose any benefits such as insurance cover if you roll out of your old fund.

Your rollover will be paid into your accumulation account, where it will increase or decrease according to the returns from your chosen investment option(s) or, by default, the Growth option.

member investment choice

AvSuper members with an accumulation account can choose from seven investment options:

- High Growth
- Growth
- Stable Growth
- Conservative Growth
- Cash
- Australian Shares
- International Shares

You can choose which option(s) you would like to invest in and in what proportion (whole percentages only). You can invest in more than one option if you wish and you have the flexibility to alter your choice at any time as your circumstances change. No switching fee applies.

Full descriptions of each option and its investment strategy, objective, asset allocation and risk profile are contained in AvSuper's **member investment choice guide** and also in the a **Guide to AvSuper for Corporate Members**. The guide also tells you how to exercise your choice.

If you have an accumulation account and you do not exercise your investment choice, the funds will automatically be invested in the Growth option.

If you do not have an accumulation account, member investment choice is not applicable.

your AvSuper benefit

Regardless of the reason for leaving your employer, you will be entitled to a leaving service benefit calculated as the sum of:

- your 3% award benefit
- your voluntary contributions
- any additional contributions your employer may make
- any government co-contribution
- any amount that you have transferred into the Fund, and
- any interest component (positive or negative)

less any fees and charges.

You may be required to preserve all or part of your benefit until you satisfy a condition of release (see “Preservation” on page 8).

If you have a negative surcharge account the balance of this will be deducted from your benefit.

Insurance

As a member of the CSS, you have death and disablement cover provided through your membership of that scheme. Additional voluntary insurance for death, death and TPD and/or income protection may be applied for if you have an accumulation account.

If you leave your employer and remain an AvSuper member, your insurance cover will convert to an equivalent number of units of cover and premiums deducted from your account each month. You can cancel or vary your insurance cover at any time in the Public Offer division.

Full information on AvSuper's insurance cover is provided in a **Guide to AvSuper for Corporate Members**.

Who receives the benefit payable if I die?

In accordance with the Trust Deed, the Trustee must pay your death benefit to your dependant(s), or your legal personal representative.

Your dependants may include your spouse (including same sex or de facto spouse), your children (including stepchildren or adopted children) or any other person with whom the Trustee considers you had an interdependency relationship* at the time of your death. However, to receive the most favourable tax treatment, the dependant your death benefit is paid to must also meet the definition of a death benefit dependant in the *Income tax Assessment Act 1997*, eg. a child will only receive the most favourable tax treatment if they are under 18, or 18 and over but dependent on you in some way.

A payment to your legal personal representative would mean that the benefit is distributed according to your will, or if you have no will, according to law. It is therefore a good idea to ensure you have a current will.

You can advise the Trustee of your wishes regarding payment of your death benefit by completing a **nomination of beneficiaries** form. This form nominates the dependants to whom you would like the Trustee to pay the death benefit, and also the proportion of the benefit each dependant should receive. Alternatively, you can use the form to nominate your legal personal representative. You can also enter your preferred beneficiaries online.

If you have made a will, you should still complete a **nomination of beneficiaries** form. While a will governs the distribution of your estate, your superannuation benefit does not form part of your estate unless the Trustee decides to pay your benefit to your legal personal representative. This is why it is important to complete a **nomination of beneficiaries** form and update it if your personal circumstances change.

your AvSuper benefit (cont.)

The Trustee is not required to follow your nomination. The Trustee has the final say in determining to whom and in what proportions your death benefit is paid, but will take your nomination into consideration.

* The legislation provides that two persons have an **interdependency relationship** if each of these conditions is met:

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

An interdependency relationship also exists where there is a close personal relationship and either or both people suffer from a physical, intellectual or psychiatric disability. In these circumstances there is no requirement for cohabitation or provision of financial or domestic support.

A close personal relationship is one that involves a demonstrated and ongoing commitment to the emotional support and well-being of the two parties.

The definition is not intended to include people who share accommodation for convenience (e.g. flatmates) or people who provide care as part of an employment arrangement or on behalf of a charity.

receiving your benefit

If you are planning to leave Airservices Australia you should contact your pay section for information on how to ensure your benefit is paid quickly and efficiently. We recommend you obtain independent financial advice about what to do with your benefit.

A person claiming a benefit from AvSuper may be required to provide certain evidence to the Trustee. Payment of the benefit may be delayed until satisfactory evidence is produced.

Preservation

The aim of preservation is to ensure that superannuation benefits are kept for use in retirement. If your benefit is subject to preservation you will not be able to take it in cash until you satisfy a 'condition of release' as set out in the legislation. Any preserved portion of your benefit must be retained in the Fund in a public offer account or transferred to another complying superannuation fund.

Benefits placed in a public offer account will increase or decrease according to the earnings of the investment option you choose and can only be paid out when you satisfy one of the following conditions:

- reach age 65;
- cease employment at or after age 60;
- permanently retire at or after your preservation age as set out in the table below;
- die or become 'permanently incapacitated' (as defined in the legislation);
- qualify for the release of your benefit on the grounds of severe financial hardship or are eligible on compassionate grounds;
- change employment and your account balance is \$200 or less;
- are a foreign national (except from New Zealand) who has left Australia permanently.

Once you reach preservation age you may also be able to access your benefit as an income stream even though you haven't ceased or changed employment.

Each year you will receive a **Statement of your benefits**, which shows the amount of your benefits that are subject to preservation.

Preservation Age

| Date of birth | Preservation age |
|----------------------|------------------|
| Before 1.7.60 | 55 |
| 1.7.60 to 30.6.61 | 56 |
| 1.7.61 to 30.6.62 | 57 |
| 1.7.62 to 30.6.63 | 58 |
| 1.7.63 to 30.6.64 | 59 |
| From 1.7.64 or later | 60 |

retaining your benefit in AvSuper

Deposits into AvSuper's Public Offer account

If you leave Airservices Australia and take up the opportunity to transfer your benefit to an AvSuper Public Offer account, you can continue to make personal contributions from after-tax income to your account. If you join another employer you may also be able to have that employer's contributions paid to AvSuper.

You can roll over a benefit into your public offer account from approved benefit arrangements such as other superannuation funds, eligible rollover funds, deferred annuities and approved deposit funds at any time. Please refer to **AvSuper's Public Offer Product Disclosure Statement** for full details.

Withdrawals from the public offer account

You can draw on any unrestricted non-preserved (i.e. cashable) amount from your public offer account without being required to withdraw the whole account balance. The minimum withdrawal is \$5,000.

Retirement income stream

When you become eligible to access a benefit from AvSuper, you may use all or part of your benefit to purchase a retirement income stream.

There are also circumstances in which you may receive an income stream once you reach your preservation age without having to leave your employer. Detailed information on the AvSuper income streams is provided in **AvSuper's Income Stream Product Disclosure Statement** available from our website or by contacting us.

If you do not provide instructions

If a benefit is left in the Fund for more than 28 days after you cease employment, and we have not received any instructions on how or where the benefit is to be paid, it will be transferred to a public offer account effective the day after you leave Corporate employment.

taxation matters

We have provided some brief information on taxation issues. You should contact the specific ATO Help Line which deals with superannuation matters on 13 10 20 for more detailed information, particularly if you are considering taking money from the fund.

Provision of your Tax File Number (TFN)

If your employer is paying contributions to us and you have given them your TFN, they must supply it to us within 14 days.

Under the *Superannuation Industry (Supervision) Act 1993*, your superannuation fund is authorised to collect your TFN, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. The trustee of your superannuation fund may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request the trustee of your superannuation fund in writing that your TFN not be disclosed to any other superannuation provider.

It is not an offence not to quote your TFN. However, giving your TFN to your superannuation fund will have the following advantages (which may not otherwise apply):

- your superannuation fund will be able to accept all types of contributions to your account/s;
- the tax on contributions to your superannuation account/s will not increase;
- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
- it will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

Tax on contributions made to AvSuper

15% contribution tax is generally deducted from employer contributions including salary sacrifice contributions. This contribution tax is also deducted from any contributions made by self employed members for which they intend to claim a tax deduction.

No tax is deducted from non-concessional (after tax) contributions.

Additional tax may be payable on both concessional and non-concessional contributions if you do not supply your TFN to the Fund or exceed the prescribed contribution limits (see page 4).

Tax on rollovers into AvSuper

If you roll over money to AvSuper, there is no tax payable at the time of the rollover, unless the amount transferred contains an untaxed element. Generally an untaxed element would only be included in the rollover amount if it is a termination payment direct from an employer or a payment from certain government superannuation funds such as the CSS or PSS.

An untaxed element will generally be taxed at 15% at the time it is received by AvSuper.

Tax on investment earnings

AvSuper's investment earnings are generally taxed at a rate of 15% before the earnings are credited to your account.

Tax on super benefits

If you are aged **60 and above** you will not pay any tax on your superannuation benefits from a taxed fund. AvSuper is a taxed fund.

If you are aged between **Preservation Age (see page 9) and 60**, you may have to pay tax when you draw on your superannuation. Your super may be made up of two components - a tax-free component and a taxable component. The tax-free component of your benefit is generally:

- contributions made from after-tax income after 30 June 1983, and
- the amount of your benefit that accrued prior to 1 July 1983, as calculated at 1 July 2007

The remainder of your benefit will be a taxable component. Any benefits paid to you from your superannuation will be taken proportionally from your tax-free and taxable components.

Tax on lump sum benefits

There is no tax payable on the tax-free component.

The tax payable on any taxable lump sum superannuation benefit is outlined in the table below:

| Age | Tax rates |
|---|---|
| Less than Preservation Age (see page 9) | 20% plus the Medicare Levy on the taxable component of your benefit |
| Preservation Age but less than 60 | NIL on the first \$140,000 15% plus the Medicare Levy on any amount over \$140,000 |
| 60 and older | NIL where the benefit has been paid from a taxed fund |
| Death | NIL on a death benefit paid to a death benefit dependant 15% on the taxable component of a death benefit paid to a non-death benefit dependant |

Generally, if you are a foreign national leaving Australia permanently when your benefit is paid to you higher tax rates may apply.

Tax offset for spouse contributions

A tax offset may be claimed for contributions made on behalf of a spouse, depending on the level of the spouse's income.

The maximum tax offset of \$540 per annum is calculated as 18% of eligible spouse contributions up to a maximum of \$3,000 per annum, i.e. $18\% \times \$3,000 = \540 . It may be claimed if the spouse:

- income is less than \$10,800
- contributions are made from after-tax income
- meets the eligible spouse criteria.

A partial offset may be payable if the spouse income is over \$10,800 but not greater than \$13,800 per annum.

other important information

Enquiries or complaints

Please contact AvSuper if you have any enquiries or complaints. You can contact us by telephone (1800 805 088 or direct 02 6268 4722), fax (02 6268 4469), email (avsinfo@avsuper.com.au) or in writing (GPO Box 367, Canberra ACT 2601).

In most cases, your enquiry will be answered over the phone. If not, you may be asked to put your enquiry in writing. Answers to written enquiries will be sent within 28 days. If you are not satisfied with the response, or you wish to lodge a complaint, you should write to the Chief Executive of AvSuper, who may refer your complaint to a special committee of the Trustee Board. A decision from the Trustee Board will be advised as soon as possible but certainly within 90 days.

If you are not satisfied with the Trustee Board's decision, the complaint may be taken to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Federal Government to help members resolve superannuation complaints. The SCT should only become involved if the special committee of the Trustee Board has been unable to reach a conclusion that is satisfactory to you or has not considered your complaint within 90 days. If the SCT accepts your complaint, it will try to help you and the Trustee reach a mutual agreement by conciliation. If this is not successful, the SCT will make a decision that is binding on all parties.

If you wish to know whether the SCT will accept your complaint, or the type of information the SCT requires, you may phone them on 1300 884 114 for the cost of a local call from anywhere in Australia.

Regular communication

You will receive regular information from the Trustee about AvSuper and your benefits. Information you can expect to receive includes:

- an annual **benefit statement** setting out your current benefit entitlements in AvSuper
- an **annual report** showing details of AvSuper for that financial year
- regular bulletins containing updates and other items of interest
- notification of any material changes to the scheme and any other significant events
- confirmation of some transactions such as rollovers paid into AvSuper and switching of investment choices.

In addition, the AvSuper website contains a wealth of information, including the weekly unit prices, all forms and publications and an online calculator designed to enable you to obtain information on your current benefits and check on your membership details.

To access the calculator, you will need your member number and your personal identification number (PIN). If you have misplaced or forgotten your PIN you can request a new one via our website.

Risk

There are a number of risks involved in membership of a superannuation fund.

The main risks can be grouped into the following six categories:

- **Governance risk** – relates to the quality of the trustee board and its responsible officers, in terms of composition, how they operate and the policies and standards they apply to the management of the Fund.
- **Investment risk** – includes risk arising from inappropriate investment plans, inadequate selection, monitoring and review of investments or investment managers and failure to take timely remedial action when required.
- **Fund operational risk** – includes risks associated with the management of personal data, provision of incorrect advice to members, inaccurate accounting and insufficient resources.
- **Outsourcing risk** – arises from the need to outsource a range of functions associated with the running of a fund to third parties such as legal advisers, actuaries and administrators.
- **Legal and regulatory risk** – relates to the obligation on the Trustee to operate within their own governing rules, as well as within the requirements imposed by other legislation affecting superannuation funds such as the Superannuation Industry (Supervision) Act, Corporation legislation, Family Law, Privacy Act and taxation laws.
- **Market risk** – includes changes to Government policy, changes to employer sponsor support and risks arising from the increasing complexity of superannuation products.

The Trustee of AvSuper has put in place policies and procedures to mitigate and manage the above risks and these are subject to ongoing regular internal and external review and monitoring. Strategies have also been developed to reduce the likelihood of risks being realised and limit the impact of any realised risk. Insurance arrangements have also been put in place to ensure not all the risk is borne by the Fund.

Information on request

You have the right (on written request) to obtain copies of documents relating to the management of AvSuper such as the Trust Deed (also available on the AvSuper website), the latest annual accounts and the auditor's report. Please send your written request to:

Chief Executive
AvSuper Pty Ltd
GPO Box 367
Canberra ACT 2601

AvSuper Pty Ltd privacy statement

AvSuper Pty Ltd may need to collect personal information from you for the purpose of administering and disbursing your superannuation entitlement. If this personal information is not collected we cannot look after your interests as a Fund member. We do not disclose your personal information to third parties other than those organisations providing services to AvSuper Pty Ltd who require the information for the proper conduct of the Fund, or unless we are required or authorised to do so by law. You can gain access to the personal information we collect and the organisations to which AvSuper Pty Ltd discloses this sort of personal information by contacting AvSuper. AvSuper Pty Ltd abides by privacy law and our privacy policy statement is available at www.avsuper.com.au or by telephoning 02 6268 4402.

other important information (cont.)

AvSuper's legal framework

AvSuper operates as a trust. It is governed by a legal document, the Trust Deed, and run by the Trustee.

The Trust Deed sets out your rights to benefits from AvSuper as well as your responsibilities as an AvSuper member, some of the rights and responsibilities of your employer concerning AvSuper, and the responsibilities of the Trustee.

The Trust Deed contains a provision that requires the Trustee to comply with the Superannuation Industry Supervision (SIS) legislation which governs superannuation funds. This means the Fund is eligible for concessional taxation treatment.

AvSuper Pty Ltd is the Trustee of the AvSuper Fund (AvSuper). AvSuper Pty Ltd has a board of directors which is responsible for the Trustee's operations as well as ensuring that the Fund is administered in accordance with the Trust Deed and complies with all relevant legislation.

The Trustee board has eight directors – four are nominated by the ACTU and four appointed by the employer. The employees of AvSuper Pty Ltd undertake the day-to-day administration of the Fund in conjunction with the Fund's administrator.

The Trustee is responsible for ensuring that:

- benefits are paid accurately and at the appropriate time
- Fund assets are invested properly and the Fund is operated in accordance with the Trust Deed and legislation.

Professional advisers such as investment managers, consultants, actuaries, administrators and auditors help the Trustee fulfil its responsibilities.

Amending the Trust Deed

The principal employer, with the consent of the Trustee where appropriate, has the power to amend all or any of the provisions of the Trust Deed. Any amendment must comply with the amendment power restriction in the Trust Deed, the SIS legislation and any relevant Government requirements.

useful definitions

Accumulation account – an account maintained for a member within a superannuation fund, which operates on an accumulation basis. That is, the benefit a member receives is the total of contributions to the fund plus earnings on those contributions, minus expenses and tax. In the case of an accumulation fund, members carry the investment risk. That is, if the investments perform poorly, member benefits are directly affected.

CSS – the Commonwealth Superannuation Scheme.

CSS member – an employee of Airservices Australia who is a member of the CSS and has a 3% award-based employer contribution provided through the defined benefit section of AvSuper.

Concessional contributions – any contributions on which tax is payable by the Fund, e.g. employer contributions, salary sacrifice contributions and deductible contributions by the self employed.

Death benefit dependant – your spouse or former spouse, child aged less than 18, any other person with whom you had interdependency relationship immediately prior to your death or any other person who was dependent on you immediately before your death. See page 8 for the meaning of interdependency relationship.

Defined benefit section – the section of the Fund (governed by division 2 of the Trust Deed) where CSS members' benefits are defined by reference to Final Average Salary (FAS) and are paid as a multiple of FAS.

Eligible spouse (for spouse contribution purposes) – the legal or de facto husband or wife (including same-sex partner) who is living with an AvSuper member on a bona fide domestic basis, but does not include a person who lives separately and apart from the member on a permanent basis. An eligible spouse must also be under age 65 or between 65 and 70 years old (inclusive) and gainfully employed for at least 40 hours in a period of no more than 30 consecutive days in that financial year.

Employer – your employer is Airservices Australia.

Final Average Salary (FAS) – the average of a CSS member's superannuation salaries as measured on his/her last three birthdays prior to leaving the employer. This will always be your full-time salary even if you are working part-time or are on leave without pay or on reduced pay.

Non-concessional contributions – are contributions made from post tax income. These are also known as personal or voluntary contributions and used to be called 'undeducted contributions'.

Salary sacrifice – exchanging a portion of before-tax salary for another employer benefit such as increased employer superannuation contributions.



Contact AvSuper

Post GPO Box 367, Canberra ACT 2601
Phone 02 6268 4722 or 1800 805 088
Fax 02 6268 4469
email avsinfo@avsuper.com.au
website www.avsuper.com.au