

Account Based Pension Handbook



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RSE Registration No. R1000849



This Account Based Pension Handbook was issued in July 2007 as Part C of the Product Disclosure Statement* for QIEC Super (ABN 15 549 636 673) by the Trustee of the Fund, QIEC Super Pty Ltd (ACN 010 897 480). It sets out the main features of the QIEC Super Pensions.

QIEC Super Pty Ltd is an authorised representative (Authorised Representative Number 268804) under Australian Financial Services Licence No. 238507 and is authorised to provide general financial product advice in relation to superannuation.

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This Account Based Pension Handbook provides important information about the features, costs, benefits and investment options of the QIEC Super Pensions. You should also read Part A of the Product Disclosure Statement in conjunction with this document.

Cooling off period: If you apply to join any QIEC Super Account Based Pension, you will receive a welcome letter to confirm your application has been accepted. You then have 14 days from the receipt of this welcome letter to review the terms and conditions of the Pension – known as the “cooling off period”. If you wish to cancel your application for the Pension, you must notify QIEC Super of your decision, in writing, within the 14 days.

If you wish to make an enquiry about the Fund, or if you have any concerns about its operation or management, please ring QIEC Super or contact us at the address supplied on the next page.

The information provided by QIEC Super is of a general nature only and does not take into account your individual financial situation, objectives or needs. If you require such specific advice, you should contact a licensed Financial Adviser.

The Fund offers members access to subsidised financial advice through ESI Financial Services in the areas of superannuation for retirement, investment risk profile and salary sacrificing to superannuation. If you wish to take advantage of this offer phone QIEC Super on 1300 360 507 or (07) 3238 1290 and ask to be referred to an ESI Financial Adviser.

*The QIEC Super Product Disclosure Statement comprises the following documents:
Part A – Annual Report & Member Handbook (plus supplement – Account Based Pension members only)
Part B – Spouse Member Handbook
Part C – Account Based Pension Handbook
Part D – Market-Linked Pension Handbook

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What is an Account Based Pension?

An Account Based Pension (previously known as an Allocated Pension) is designed to provide a regular income for your retirement.

Account Based Pensions are investments that give retirees and those nearing retirement, but at least age 55, regular superannuation benefit payments as income.

The QIEC Super Account Based Pension can be taken before you finish working if certain conditions are met (*Pre-Retirement*) or after retirement (*Post Retirement*).

The QIEC Super Account Based Pension offers you:

FLEXIBILITY - You can choose how much and when your pension is paid (eg Monthly, Quarterly, Half-Yearly, Yearly) and if by cheque or direct debit to your bank account.

CHOICE OF INVESTMENT OPTIONS

- Conservative Growth
- Balanced Growth
- High Growth

TAX-FREE - Investment earnings are tax free, plus pension payments are tax free from age 60.

ACCESS TO YOUR SAVINGS - As a lump sum in the Post-Retirement Pension option.

When can I start taking my superannuation?

To be eligible to commence an Account Based Pension with QIEC Super in *Pre-Retirement* you must:

- Be aged between 55 and 65
- Have a minimum Account Balance of \$10,000.

To be eligible to commence an Account Based Pension with QIEC Super in *Post-Retirement* you must:

- Have reached age 55 and permanently retired from the workforce; or
- Have reached age 60 and left your employer; or
- Have reached age 65; or
- Have been assessed as Totally and Permanently Disabled (TPD); and
- Have a minimum Account Balance of \$10,000.

What is a Pre-Retirement Account Based Pension?

The Pre-Retirement Account Based Pension is a transition to retirement measure. It is designed to allow you to lessen your full-time workload. If you decide to work, say, 3 days per week, your reduced salary can be augmented by means of a *Pre-Retirement* Account Based Pension. You may use some or all of the balance in your superannuation account to fund the *Pre-Retirement* Account Based Pension.

However, in taking up the *Pre-Retirement* option you cannot withdraw (or *commute*) any benefits as a lump sum unless you satisfy a *Condition of Release*. eg. die, became Totally and Permanently disabled or permanently retired.

What is a Post-Retirement Account Based Pension?

The Post-Retirement Account Based Pension allows you to invest your superannuation savings and to receive regular income payments until the total account balance is exhausted.

The balance of your pension is not locked away, so you can access your savings as a lump sum at any time should an unexpected expense arise.

Requests for lump sum withdrawals must be made in writing.

How do I commence an Account Based Pension?

Simply complete the Application for Membership form. Cross (X) the box to indicate the type of pension you want. You start your QIEC Super Account Based Pension by transferring your superannuation account balance to the Account Based Pension section of QIEC Super.

Before you begin your Account Based Pension, it is important that you have amalgamated into your QIEC Super Superannuation Account all the benefits that you want to use for the Pension. This includes making any deposits of voluntary (*Non-Concessional*) contributions into your superannuation account, as well as rolling over any benefits you have in other superannuation funds.

It is important you complete this amalgamation before commencing your Pension, as you cannot add to your initial investment once your Pension has commenced.

How much can I take from my Account?

Once you start a Pension, a *minimum annual payment* is required to be paid as a benefit each year to ensure your capital is generally drawn down over time.

In the Pre-Retirement option, a maximum annual payment of 10% of your account balance applies. In the Post-Retirement option there is no maximum amount other than the balance of your account.

You must receive at least one Pension payment each year. The only exception is if you start your Account Based Pension in June, you may defer your first payment until the next financial year.

How do I calculate my Minimum Annual Payment?

At commencement of the Pension and each subsequent 1 July your *minimum annual payment* is calculated based on your age and *Account Balance* at the time. You have the choice as to the level of income you receive as long as it is equal to or above the *minimum annual payment* requirement and in the case of the Pre-Retirement option, no more than the maximum annual payment allowed.

What is my Account Balance?

Your Account Balance is the total value of your Pension account at the time it is commenced and at 1 July each year.

QIEC Super will advise you of your new *minimum* (and maximum if *Pre-Retirement*) *annual payment* as soon as possible after the annual crediting rates for each investment option have been determined (usually in October). Until this time, your Pension payments will continue unaltered from the previous financial year.

The following table shows the *minimum annual payment* percentage for each age group.

Age	Minimum annual payment %
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95 or more	14%

The following is an example of how to calculate your *minimum annual payment* using the percentage table above.

EXAMPLE

George is 60 years old and commences his Account Based Pension on 1 July 2007* with \$200,000.

To determine George's minimum annual payment we multiply his \$200,000 Account Balance by the minimum annual payment percentage for a 60-year-old.

$$\$200,000 \times 4\% = \$8,000$$

The payment amount (annual or pro-rata) is rounded to the nearest \$10. Where the amount ends in an exact \$5 then it is rounded up to the next whole \$10.

*If you commence your Pension at any date other than 1 July, your minimum annual payment for the year will be pro-rata based on the number of days in that year. Except if you commence your Pension in June, in which case the first payment can be deferred until after 1 July.

EXAMPLE

If George commenced his Pension on 1 August 2007 then the *minimum annual payment* required in the first year would be calculated by multiplying \$8,000 by the number of days from 1 August 2007 to 30 June 2008 (ie 335 days) and dividing by the number of days in that financial year (ie 366 days).

$$\$8,000 \times 335 \text{ days} \div 366 \text{ days} = \$7,322.40^*$$

*This value is then rounded to the nearest \$10 to equal \$7,320.00

In the case of a Pre-Retirement Pension a maximum annual payment is also calculated the same way by multiplying your account balance by 10%.

How much can I take?

Once the *minimum* (and *maximum if applicable*) *annual payment* amount for the period is calculated you can choose any amount equal to the *minimum annual payment* and up to your full Account Balance (for the Post-Retirement option) or up to the 10% maximum (for the Pre-Retirement option).

EXAMPLE

George chooses to take \$18,000 per financial year to June 30 from his Account Based Pension.

How do I calculate my payment amount?

Your chosen pension amount is then divided by your payment frequency (monthly, quarterly, half yearly or yearly) to determine the amount of pension you will receive in each payment.

EXAMPLE

George has chosen a gross benefit payment of \$18,000 pa and has decided to receive monthly payments from his Account Based Pension.

$$\$18,000 \div 12 = \$1,500 \text{ per month gross Pension}$$

You can change your payment amount and payment frequency at any time. Simply forward your request, in writing, to QIEC Super.

How long will my Account Based Pension last?

How long your Account Based Pension lasts depends on a number of factors, including:

- The initial amount invested;
- How much you draw from your Account Based Pension each year;
- The earnings of your chosen investment option;
- Fees and other costs deducted from your account; and
- The amount of any lump sum withdrawals (only available for the *Post-Retirement* option).

Your Pension payments will continue until your account balance falls below \$2,000, at which time a lump sum payment will be made to you.

There is no guarantee your Account Based Pension will continue for life. You may wish to seek advice from a licensed financial adviser if you are unsure if the Account Based Pension best suits your needs.

Can I make lump sum withdrawals?

In *Post-Retirement* you can make a lump sum withdrawal at any time. The amount of any lump sum withdrawal is in addition to your regular pension payment. The minimum amount for a lump sum withdrawal is \$1,000, or your remaining account balance if your balance is below \$2,000.

When you make a lump sum withdrawal, the law requires that you still take at least your regular *minimum income payment* (pro rata) for the current financial year – in addition to your lump sum payment.

EXAMPLE

Mary is 66 years old and commences a *Post-Retirement* Account Based Pension on 1 July 2007 with \$300,000.

Mary's minimum annual payment amount will be \$15,000 (\$300,000 multiplied by 5%).

Mary has opted to take the minimum annual payment amount and will receive monthly payments of \$1,250.

On October 8 2007, Mary requests a lump sum payment of \$50,000 from her account.

The minimum annual payment that Mary must receive before the lump sum is paid is calculated as follows:

Minimum annual payment	X	Days in payment period	
		Days in financial year	
= \$15,000	X	100	
		<hr/>	
		366	
			= \$4,098.36

As Mary has already received monthly payments to the value of \$3,750, a minimum payment of \$348.36 is to be made to Mary before the lump sum withdrawal is processed.

Requests for lump sum withdrawals must be made to QIEC Super in writing.

Do I have to cash out my super at a certain age?

As of 1 July 2007 superannuation laws no longer require your benefit to be paid at a certain age. However, your payments are subject to the rules of your particular fund.

In the case of the *Pre-Retirement* option, on reaching age 65 you have met a Condition of Release and your Account Balance becomes totally unrestricted, even if you are continuing to work. This means after the age of 65 there is no *maximum annual payment* requirement on your Pension, although the minimum annual payment still applies. Your account will be transferred to the *Post-Retirement* option at this time and you can withdraw lump sum benefit payments from then.



Nominating a Beneficiary

You will be asked to nominate a beneficiary when you join QIEC Super - to provide the fund with details as to who you wish to receive your superannuation benefits in the event of your death.

You can choose from three types of beneficiary

1. *Reversionary Beneficiary*
2. *Binding Nomination of Beneficiary*
3. *Preferred Nomination of Beneficiary*

If you elect not to nominate a beneficiary the Trustee of the fund will exercise their discretion in the event of your death.

1. Reversionary beneficiary

A reversionary beneficiary will continue to receive your pension payments after your death or they can commute their pension and be paid a lump sum benefit. A reversionary beneficiary must be a dependant (see Definition of Dependand).

You can only nominate a reversionary beneficiary when you commence your QIEC Super Account Based Pension. If you want to change your nominated beneficiary at a later date you will need to cancel this pension and purchase a new pension. However, your nomination will lapse on divorce or death of the reversionary beneficiary.

Definition of Dependand

For superannuation purposes, the following definition applies:

- Your spouse (legal or defacto);
- Children;
- Any person financially dependent on you at the time of your death;
- Any person who is in an interdependency relationship with you at the time of your death.

Two people are in an interdependency relationship if:

- They have a close personal relationship, and
- Live together, and
- 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 if two people have a close personal relationship but the other requirements are not satisfied because either or both of them suffer from a physical, intellectual or psychiatric disability.

A spouse does not include a partner of the same sex.

2. Binding Nomination of Beneficiary

A Binding Nomination of Beneficiary will receive your remaining account balance as a lump sum after your death.

Where a Binding Nomination of Beneficiary has been made, the Trustee of the fund has no discretion in the event of your death and your benefits will be paid to the person nominated by you, provided the nomination is valid.

For a binding nomination to be valid the beneficiary must be a:

- *Dependant, or*

Your dependants include your spouse, de facto, children of any age, financial dependents and interdependent persons.

- *Legal personal representative.*

Your legal personal representatives can include the executor of your estate or the administrator of your estate.

For a Binding Nomination to be valid, the beneficiary must be a dependant or legal personal representative, your nomination must be signed by 2 witnesses (aged at least 18) who are not beneficiaries, and your nomination must have been made or affirmed within the 3 years prior to your death.

You can choose to make, affirm, amend or cancel a binding nomination of beneficiaries at any time.



3. Preferred Nomination of Beneficiary

Where a Preferred Nomination of Beneficiary has been made the Trustee of the fund will consider your nomination of preferred beneficiaries, your Will, and other factors relevant at the time of your death in deciding how to distribute your benefits.

You can change your Preferred Nomination of Beneficiaries at any time.

If you are having difficulties in deciding on a beneficiary you should speak to a financial adviser who can help you to make an informed choice.

How do I nominate a Reversionary Beneficiary?

Complete the beneficiary details on the *Member Application Form* provided in this handbook.

How do I nominate a Binding Nomination of Beneficiary?

Do not complete the beneficiary details on the Member Application form provided in this handbook. Instead, complete the *Binding Nomination of Beneficiary Form* contained at the back of this handbook.

How do I nominate a Preferred Beneficiary?

Complete the beneficiary details in the *Member Application Form* provided in this handbook.

What happens if I die?

In the event of your death, there are two options as to how your Pension benefits are treated.

Option 1:

Pension payments continue to be made to a *Reversionary Beneficiary* after your death.

Your *Reversionary Beneficiary* will have the choice to continue receiving Pension payments or to withdraw the account balance as a lump sum.

Option 2:

A lump sum payment is made to your *Nominated Beneficiaries - Binding or Preferred -* after your death.

Taxation and Account Based Pensions

Post-Retirement and Pre-Retirement

From 1 July 2007 benefits paid from a taxed superannuation fund either as a lump sum or Pension are tax-free when paid to members aged 60 and over.

However, if benefits are paid from a taxed superannuation fund to a person aged under 60 they will now comprise two components:

1. Tax-Free Component

The tax-free component will always be paid tax-free to a member, regardless of their age.

2. Taxable Component

The Taxable component is the remaining benefit after the tax-free component has been deducted.

For those aged under 60 the taxable portion of their Pension will be taxed at the marginal tax rate. However, a Tax Rebate of 15% of the taxable portion may apply.

Tax-Free and Taxable Portions

The proportion of the Pension payment amount (as well as any lump sum withdrawals, if applicable) comprised of the tax-free component will be determined based on the relevant proportion of tax-free component that made up the Account Balance at the commencement of the Pension.

EXAMPLE

Mary, who is aged 56 and has retired, commences an Account Based Pension with QIEC Super on 1 July 2007 with a \$400,000 Account Balance. The Tax-Free Component of this balance at commencement is \$100,000.

Tax Free component = 25% of Account Balance
(\$100,000/\$400,000)

How much tax will I pay?

The tax you pay on the taxable component of your benefits varies according to your age and whether you are taking the benefit as a lump sum (in *Post-Retirement*) or Pension.

Members aged 60 or above will not pay any tax.

The following table is a break down of age-related tax rates for both the Pension and lump sum benefit payments.

Age	Tax on Pension	Tax on Lump Sum
55 – 59	Marginal Tax Rates with tax offset	Up to the low rate cap is Tax-free. Excess at 15% + Medicare Levy. Please Note: The low rate cap is \$140,000 for 2007/08 (indexed).
60 and above	Tax-Free	Tax-Free

Tax Rebate

Members under the age of 60 who commence a pension may still be eligible to receive the 15% tax rebate on the taxable component of their Pension. Members eligible for the 15% offset have:

- Attained their preservation age (age 55); or
- Are receiving the Pension as a result of invalidity; or
- Are receiving the Pension as a result of death of the primary beneficiary.

Tax on lump sum death benefit

A lump sum death benefit will be tax free if paid to a person who is a dependant. A dependant for tax purposes is:

- A spouse or former spouse (including a defacto spouse);
- A child less than 18 years of age;
- A person with whom you had an interdependency relationship just before you died;
- Or any other person who was financially dependent on you just before you died.

If the lump sum is paid to a non-dependant, the taxable component will be taxed at 15% plus Medicare Levy, except where the beneficiary has not supplied their Tax File Number (TFN) in which case the taxable component will be taxed at the top marginal rate plus Medicare Levy.

Tax on a death benefit paid as a reversionary pension

The taxation of a death benefit paid as a reversionary pension will depend upon the age of the primary and reversionary beneficiary. If the primary beneficiary was aged 60 or more at the time of death, then payments to the reversionary beneficiary will be tax exempt.

If the primary beneficiary was under age 60 at the time of death, the pension will be taxed at the reversionary beneficiary's marginal tax rate unless, or until, the reversionary beneficiary is aged 60 or more, in which case the pension becomes tax exempt.

Death benefits can be paid as a reversionary pension to a child, but only until the child attains age 25, when the balance will be paid out as a lump sum, unless the child is permanently disabled in which case it can continue to be paid as a pension.

Will I have to lodge a tax return?

Members aged 60 or above do not have to declare tax-free income paid from taxed sources of superannuation.

If your only source of income is superannuation benefits from a taxed source you will not need to lodge an income tax return.

Members aged between 55 and 59 may still have to pay tax and lodge a tax return. All payments will be split into tax-free and taxable components as explained above.

All members with income from other sources, including from investments or untaxed superannuation sources such as some public service super funds, will have to lodge a tax return.

Reasonable Benefit Limits (RBLs)

RBLs have been removed as from 1 July 2007.

Taxation in Pre-Retirement

Pre-Retirement and Concessional Contributions

Members choosing the *Pre-Retirement* Pension option may still be eligible for compulsory employer Superannuation Guarantee (SG) contributions.

Employees eligible for SG superannuation contributions must:

- earn at least \$450 in a calendar month
- be under 70 years of age; and
- be aged 18 or more, or
- if under age 18 be working more than 30 hours per week.

However, SG contributions can only be made to superannuation benefits still in the *Accumulation Phase*, therefore a separate account will be established for your Pension.

From 1 July 2007 Any Concessional Contributions* in excess of \$50,000 (indexed) per financial year to June 30 will be taxed at an additional 31.5% on top of the current 15% tax on contributions.

In the financial years commencing on 1 July 2007 and ending on 30 June 2012, a transitional cap of \$100,000 per individual will apply for people aged 50 or over during that period. This amount will not be indexed.

* Concessional Contributions comprise employer, salary sacrifice and self-employed contributions on which a tax deduction is claimable.

Pre-Retirement and Non-Concessional Contributions?

You cannot make any contributions to your Pension account.

However, personal (*Non-Concessional*) contributions to your superannuation account can be made until the age of 75.

Members aged under 65 do not have to meet the *Work Test* to be allowed to make personal contributions to their super, but from age 65-74 members must meet the *Work Test* before making the contribution.

Work Test

To satisfy the *Work Test* you must have worked at least 40 hours in any consecutive 30 day period during the financial year ended June 30.

Any *Non-Concessional* contributions in excess of three times the indexed *Concessional Contributions* cap (\$150,000 for 2007/08) will be taxed at 46.5%. This tax must be taken from your superannuation account.

Those aged under 65 can bring forward two years of future entitlements giving them a cap of \$450,000 over three years.

Pre-Retirement - Tax Advantages

As there is no requirement for you to reduce your working hours in order to commence a *Pre-Retirement* Pension after age 55, it is possible to Salary Sacrifice a significant portion of your income into superannuation. In addition, investment earnings on your *Pre-Retirement* Account Based Pension will be tax-free.

Also, taxable Pension payments are eligible for a 15% tax rebate, whereas your salary would be otherwise fully taxable.

Salary sacrifice contributions count towards your *Concessional Contributions* cap. This should be taken into account when calculating the tax advantages of a *Pre-Retirement* Pension.

EXAMPLE of Salary Sacrifice

Mike, aged 55, earns \$70,000 per year and has \$450,000 in his current super account. Mike does not wish to stop working, but would like to begin a transition to retirement by lessening his weekly working hours.

Mike cannot afford to reduce his take-home income. His financial adviser suggests that Mike commences a *Pre-Retirement* Account Based Pension with QIEC Super and use the pension payments to supplement his wages, while sacrificing the equivalent amount back into his superannuation.

In choosing this strategy Mike can take advantage of tax-free investment earnings on his *Pre-Retirement* Account Based Pension while also being eligible for the 15% tax rebate on the taxable component of his *Pre-Retirement* Account Based Pension payments.

The information given does not take into account your individual financial situation, objectives or needs. If you require such specific advice you should contact a licensed financial adviser

Investment Options

Member Investment Choice

QIEC Super wants your super to work for you. Make your super come alive by choosing how it is invested using a choice of three investment options:

- Conservative Growth
- Balanced Growth
- High Growth

It is important that you understand the associated risk and potential benefits of each option. If you do not exercise choice, your super will remain in the option you last selected. If you have never made an investment choice, your Pension will be invested in the Balanced Growth option.

You can make only one investment choice at a time, unless you have more than one account. In that case, each account can have a different investment option.

How do I make an Investment Choice?

Refer to the latest QIEC Super Annual Report & Member Handbook for detailed information on Investment Choices together with the latest Account Based Pension (Pension) Supplement.

Choose one option that meets your needs and your entire benefit will be directed to this option.

Once you have chosen the right Investment Choice for you complete the Member Investment Choice section of the Application Form or Change of Member Investment Choice Form and send it to QIEC Super.

Your switch will be effective on the first business day of the following month. You are entitled to one free switch each financial year. Additional switches will incur a \$50 fee.



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 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.fido.asic.gov.au) has a superannuation fee calculator to help you check out different fee options.

The fees and costs shown in this table may be paid by you, deducted from the returns on your superannuation investment, or from the Fund assets as a whole.

You should thoroughly read all information about fees and costs, as it is important to understand their impact on your investment.

For more detailed information about the fees and costs of each particular investment option see the QIEC Super Annual Report & Member Handbook.

Please Note: QIEC Super is unable to negotiate fees with individual members, as we do not charge any contribution fees or advisory fees.

Fee or costs	Amount	How & When paid
Fees when your money moves in or out of Fund		
Establishment Fee	Nil	N/A
Contribution Fee	Nil	N/A
Withdrawal Fee	\$50	Deducted from any lump sum withdrawal from the Fund, except for any amount payable on death.
Management Costs		
Operational Cost	0.63 – 0.93% pa (\$6.30 to \$9.30 per \$1000)	Percentage of fund assets deducted from the Fund's investment earnings before the interest crediting rate is determined.
The fees and costs for managing your investment.		
Comprises Operational and investment management costs of the Fund not deducted directly from your account. The amount you pay for specific investment options is outlined in the Annual Report & Member Handbook		
Administration Cost		
Account Keeping Fee	\$2 pw	Deducted weekly from your Account Balance.
The fee for general administration of your account.		
Service Fees		
Investment Switching Fee	\$50	Deducted from your Account Balance at the time of your second and subsequent switches in the same financial year. No fee is charged for your first switch in each financial year.

Example of annual fees and costs for a balanced investment option

This table gives an example of how the fees and costs in the balanced investment option for this product can affect your superannuation investment over a 1 year period. You should use this table to compare this product with other superannuation products.

EXAMPLE		
Balanced Investment Option		Balance of \$50,000 with \$5000 contribution
Contribution Fees	Nil	For every \$5000 you contribute you are Charged \$0
PLUS		
Management Costs	0.93% + \$104.00 pa (\$2 per week)	And for every \$50,000 you have in the Fund you will be charged \$465 each year plus \$104.00 in account keeping fees, regardless of your balance.
EQUALS		
Cost of Fund		If you contribute \$5000 during a year and your balance was \$50,000, then for that year you will be charged fees of \$569.00 Note: Costs will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

EXAMPLE		
Balanced Investment Option		Balance of \$100,000 with \$5000 contribution
Contribution fees	Nil	For every \$5000 you put in you will be charged \$0.
PLUS		
Management Costs	0.93% + \$104 pa (\$2 per week)	For every \$100,000 you have in the Fund you will be charged \$930 each year plus \$104 in account keeping fees regardless of your balance.
EQUALS		
		If you put \$5000 in during a year and your balance was \$100,000 then for that year you will be charged fees of \$1034 Note: What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.



Please Note: Establishment Fee – Nil

If you leave the Fund early you may be charged Withdrawal Fees for \$50 for each withdrawal.
All Pensions are unable to accept further contributions once they have commenced.

Additional Explanation of Fees and Costs

For Tax costs, refer to page 18 of the 2006 Combined Annual Report & Member Handbook. The Fund passes the benefit of any taxation deductions indirectly to members through an increase in the interest-crediting rate.

QIEC Super does not charge any advisory fees.

A Family Law Enquiry fee of \$110 is charged to process requests for information from your spouse and is payable by cheque by your spouse at the time of processing the request for information.

A sighting fee of \$100 is charged for splitting an account under the Family Law Act, and is divided evenly and deducted from yours and your spouse's account balance at the time processing the split.

Fees and charges may be reviewed at any time by the Trustee. However, members will be notified in writing at least 30 days in advance of any increase to a fee charged by the Trustee. The indirect cost of the Management Costs comprises expenses of the fund, including fees paid to investment managers. These may change at any time.

The management costs include performance fees, paid by the fund to underlying investment managers, where the manager has outperformed a pre-determined benchmark. For the year ended 30 June 2006, total performance fees represented 0.12% of the Fund's average net assets, and were paid to three investment managers who outperformed their respective benchmarks. These benchmarks were the S&P/ASX 300 Accumulation Index plus 0.75% over rolling three-year periods, MSCI World ex Australia Index, and the UBSA Bank Bill Index plus 6% p.a.

You benefit through low fees and no commissions

QIEC Super is a not-for-profit superannuation fund, which means that you benefit as all profits are returned to members. QIEC Super charges Pension members a low Account keeping fee of \$2.00 per week. There are no entry or advisers' fees. QIEC Super does not pay commissions or incentives to agents.

Operational costs for each investment option

Investment Option	Operational Cost pa.
Conservative Growth	0.63%
Balanced Growth	0.93%
High Growth	0.91%

* Operational costs are deducted from the Fund's investment earnings before the interest-crediting rate is determined.



8 Easy Steps to commencing a QIEC Super Account Based

Step 1 - Choose a Pension

Choose a QIEC Super *Post-Retirement* or *Pre-Retirement* Account Based Pension depending on your personal circumstances.

Step 2 - Rollover your super

Amalgamate your superannuation benefits. You cannot add rollovers into an Account Based Pension after it has commenced.

Rollover all existing superannuation you wish to form part of your Pension first.

Step 3 - Make your personal contributions

Once you have commenced an Account Based Pension you cannot make any deposits or contributions after it has commenced.

Deposit any money you want to form part of your superannuation before you transfer your super into a Pension. You can make a deposit via Cheque, BPAY or Direct Debit.

Step 4 - Make an investment choice

QIEC Super offers you a choice of three investment options. You should choose the option most suited to your needs. You can switch investment options at any time. If you do not choose an option, your money will be invested in the last option you selected for your superannuation account. If you have never chosen an option, your money will be invested in the Balanced Growth Option.

- Conservative Growth
- Balanced Growth
- High Growth

Step 5 - Nominate a Beneficiary

This is an important decision as there are a number of considerations.

Advice from a financial adviser should be sought before making a decision on your beneficiary.

Step 6 - Decide on your income level

Post-Retirement Account Based Pension

Your Pension payments must be equal to or above the *minimum annual payment* level (which is calculated on a Government-determined percentage of your Account Balance for your age group).

There is no maximum annual payment amount for a *Post-Retirement* option other than the balance of your super account.

Pre-Retirement Account Based Pension

Pre-Retirement Pension benefit payments must be equal to or greater than the *minimum annual payment* level and equal to or no greater than 10% of your Account Balance at commencement or each 1 July.

Step 7 - Decide on your payment frequency

Monthly – Annual payment split into 12 monthly payments paid on the 14th of each month.

Quarterly – Annual payment split into 4 quarterly payments paid on the 14th of every 3rd month.

Half Yearly – Annual payment split into 2 half-yearly payments paid on the 14th of every 6th month.

Yearly – Annual payment paid on the 14th of the chosen month.

You can change this frequency at any time by notifying the Fund in writing. Payments can be made to your nominated Bank, Credit Union or Building Society.

Step 8 - Transfer your QIEC Super Superannuation Account to your chosen Account Based Pension (Post-Retirement or Pre-Retirement)

Simply complete the Application for Membership form with this handbook.

Account Based Pension Application for Membership



All sections must be completed – Please do not PLEASE USE BLOCK LETTERS

Please complete this form if you wish to commence the QIEC Super Account Based Pension

Please note: You will require a minimum deposit of \$10,000 to commence this Pension

- I wish to commence a **Post-Retirement** Account Based Pension
- I wish to commence a **Pre-Retirement** Account Based Pension

QIEC Super MEMBER NUMBER

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PERSONAL DETAILS

DATE OF BIRTH

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TITLE MR MRS MS MALE FEMALE

FIRST NAME

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MIDDLE NAME

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FAMILY NAME

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STREET NUMBER

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STREET NAME

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SUBURB/TOWN

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STATE

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POSTCODE

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EMAIL ADDRESS

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YOUR TELEPHONE NUMBER

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MOBILE NUMBER

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ROLLOVER DETAILS

You can elect to use benefits in other superannuation funds to commence your QIEC Super Pension
If you wish to do this, you will need to rollover your benefits from those other funds prior to commencing your Pension.

Do you intend to rollover benefits from other funds before commencing your QIEC Super Pension? YES NO

If yes, how many superannuation accounts are you rolling into QIEC Super

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What is the total approximate value of all benefits you are rolling over into your QIEC Super Pension

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PENSION PURCHASE AMOUNT

Please indicate the total amount to be invested in your QIEC Super Pension:

Amount to be transferred from your QIEC Super Superannuation Account
(show 100% if Full Balance to be used)

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Amount from your Superannuation account that you wish to receive as a Lump Sum

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INVESTMENT OPTION

Please indicate one investment option for your Pension. Please note, if you do not elect an option, your Pension will automatically be commenced in the same investment option as your QIEC Super account.

- Conservative Growth Balanced Growth High Growth

INCOME DETAILS

Post-Retirement Option

The Pension payments you receive in Post-Retirement must be equal to or above a Minimum Annual Payment value.
Please Note: In Post-Retirement there is no maximum other than the balance of your account.

Please indicate whether you wish to receive the Minimum Annual Payment or a Nominated Amount you have chosen between this value and the balance of your account.

- Minimum
 Nominated Amount

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Pre-Retirement Option

The Pension payments you receive in Pre-Retirement must be between the Minimum Annual Payment and Maximum Annual Payment values each year to ensure your capital is generally drawn down over time.
Please indicate whether you wish to receive the Minimum Annual Payment, the Maximum Annual Payment, or a Nominated Amount between these values.

- Minimum Maximum
 Nominated Amount

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Please complete details on reverse side

Binding Death Nomination of Beneficiaries



All sections must be completed – Please do not PLEASE USE BLOCK LETTERS

PART A PERSONAL DETAILS

QIEC Super MEMBERSHIP NUMBER

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DATE OF BIRTH

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TITLE MR MRS MS MALE FEMALE

FIRST NAME

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MIDDLE NAME

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FAMILY NAME

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STREET NUMBER

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STREET NAME

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SUBURB/TOWN

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STATE

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POSTCODE

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EMAIL ADDRESS

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HOME TELEPHONE NUMBER

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MOBILE NUMBER

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WORK TELEPHONE NUMBER

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PART B - BINDING DEATH NOMINATION OF BENEFICIARIES

A binding Death Nomination allows you to nominate one or more beneficiaries to receive your benefits in the event of your death. All nominations must have two witnesses who are at least age 18 and who are not nominated as beneficiaries. Your nomination will be binding on QIEC Super in the event of your death if it meets the conditions outlined on this form and is accepted and approved by the Trustee.

Nomination Status: New Nomination Amendment Cancel Nomination

In the event of my death, I direct the Trustee of QIEC Super to pay my death benefit from QIEC Super in accordance with the following directions:

Surname	Given Name	Date of Birth	Relationship	% Allocation

Total must equal 100% or this nomination will not be valid.

When making a decision on the beneficiary(s) you wish to nominate please read the important information overleaf.

If your nomination does not meet these conditions it will be invalid and your death benefit will be dealt with in accordance with the Trustee's decision based on the information received at the time of your death.

Have you completed all sections?

Return completed form to: QIEC Super PO Box 2130 Milton Qld 4064

JULY 2007

To ensure we can assist you in rolling your other superannuation accounts into QIEC Super, please complete the checklist below.

Checklist

- Have you considered where your future employer contributions will be paid?
- Have you completed all of the mandatory fields on the form overleaf (denoted by *)?
- Have you signed and dated the form?
- Have you attached your certified identification?
- Have you supplied your Tax File Number?

Completing proof of identity

You will need to provide documentation with this transfer request to prove you are the person to whom the superannuation entitlements belong.

The following documents may be used:

Either:

One of the following documents:

- Driver's licence issued under State or Territory law
- Passport

or

One of the following documents:

- Birth certificate or birth extract
- Citizenship certificate issued by the Commonwealth
- Pension card issued by Centrelink that entitles the person to financial benefits

AND

One of the following documents:

- Letter from Centrelink regarding a Government assistance payment
- Notice issued by Commonwealth, State or Territory Government or local council within the past twelve months that contains your name and residential address.
For example:
 - Tax Office Notice of Assessment
 - Rates notice from local council.

The following can certify copies of the originals as true and correct copies:

- A permanent employee of Australia Post with five or more years of continuous service
- A finance company officer with five or more years of continuous service (with one or more finance companies)
- An officer with, or authorised representative of, a holder of an Australian Financial Services Licence (AFSL), having five or more years continuous service with one or more licensees
- A notary public officer
- A police officer
- A registrar or deputy registrar of a court
- A Justice of the Peace
- A person enrolled on the roll of a State or Territory Supreme Court or the High Court of Australia, as a legal practitioner
- An Australian consular officer or an Australian diplomatic officer
- A judge of a court
- A magistrate
- A Chief Executive Officer of a Commonwealth court

QIEC Super will contact your previous fund

Completing this form authorises QIEC Super to contact your previous fund/s. QIEC Super will arrange for your money to be rolled over.

What if you have more than one previous super funds?

If you have more than one fund to rollover into QIEC Super, please complete a separate form for each fund.

Tax File Number (TFN)

You are not obligated to provide your TFN to your superannuation fund. However, if you do not provide your TFN, your fund may be taxed at the highest marginal tax rate plus the Medicare levy on employer and salary sacrifice contributions made to your account in the year, compared to the concessional tax rate of 15%. Your fund may deduct this additional tax from your account.

If your superannuation fund does not have your TFN, you will not be able to make personal contributions to your superannuation account. Choosing to quote your TFN will also make it easier to keep track of your superannuation in the future.

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 TFN may be disclosed to another superannuation provider; when your benefits are being transferred, unless you request in writing that your TFN is not to be disclosed to any other trustee.

This information is of a general nature and does not take account of your individual financial situation, objectives or needs. Because of this you should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You should obtain a Product Disclosure Statement (PDS) and consider the PDS before making any decision. If you require such specific advice, you should contact a licenced financial adviser. QIEC Super Pty Ltd is Authorised Representative No. 268804 under Australian Financial Services Licence No. 238507 and is authorised to provide general financial product advice in relation to superannuation. The Trustee has a Registrable Superannuation Entity (RSE) Licence No. L0000734. The Fund's RSE Registration Number is R1000849.

Have you changed your name or are you signing on behalf of another person?

If you have changed your name or are signing on behalf of the applicant, you will need to provide a certified linking document. A linking document is a document that proves a relationship exists between two (or more) names. These include marriage certificate, deed poll or change of name certificate from Births, Deaths and Marriages Registration Office, Guardianship papers or Power of Attorney.

Certification of personal documents

All copied pages of ORIGINAL proof of identification documents (including any linking documents) need to be certified as true copies by any individual approved to do so (see below).

The person who is authorised to certify documents must sight the original and the copy and make sure both documents are identical, then make sure all pages have been certified as true copies by writing or stamping 'certified true copy' followed by their signature, printed name, qualification (eg Justice of the Peace, Australia Post employee etc) and date.

Send the form to QIEC Super:
PO Box 2130, MILTON QLD 4064

Phone: (07) 3238 1290 or 1300 360 507 (outside Brisbane)

