

Essential Super

Provided by

Colonial
First State

Product Disclosure Statement (PDS)

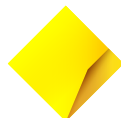


Issue 2/2024, dated 14 December 2024

Avanteos Investments Limited ABN 20 096 259 979 AFSL 245531 (referred to as Colonial First State, the Trustee, 'we', 'us', 'our') is the trustee of Essential Super ABN 56 601 925 435 (USI FSF1332AU) (the fund) and issuer of interests in Essential Super, which is a product of the fund. The Trustee is also the issuer of the PDS and is responsible for the fund. Essential Super is offered from the fund by the Trustee.

While information in this PDS is correct at the date of issue, it may change between the time you read this PDS and the day when you acquire the product. Visit commbank.com.au/essentialinfo or call us to check you have the current version.

Essential Super is distributed by Commonwealth Bank of Australia.



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Trustee contact details

Avanteos Investments Limited
GPO Box 3912
Sydney NSW 2001
Telephone: 13 4074
Email: contactessentialsuper@cfs.com.au

Essential reading

This PDS summarises important information about Essential Super. It includes references to other important documents which form part of the PDS. You should consider all of these documents before making an investment decision. You can get copies free of charge by going to the website commbank.com.au/essentialinfo or calling us on **13 4074**.

Where a change to this information is not materially adverse, the information may be updated and can be found any time at commbank.com.au/essentialinfo. A paper copy of any updated information is available free of charge on request by contacting us on **13 4074**. Where a change is material, the Trustee will notify you in writing within the timeframes provided for in the relevant legislation.

Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 (CFSIL) is the responsible entity of the underlying managed investment schemes into which the Essential Super product invests. CFSIL also provides administration services to the Trustee and administers direct debit arrangements for the Trustee.

The CFS Group consists of Superannuation and Investments HoldCo Pty Limited ABN 64 644 660 882 (HoldCo) and its subsidiaries which include the Trustee and CFSIL. The CFS Group is majority owned by an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR), with the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (the Bank) holding an interest in the CFS Group through a significant minority interest in HoldCo. The Bank provides distribution and limited administrative services to the Trustee.

The information in this PDS is general information only. It does not take your personal objectives, financial or taxation situation or other needs into account. If you need advice on your personal circumstances, please talk to a financial adviser. This PDS is designed for individuals who want to set up a super account, and for employers who want to open a super account for their employees. In this document, 'you' refers to a member of Essential Super who has opened a personal account or had an account opened by their employer. The offer made in this PDS is available only to persons receiving the PDS within Australia. It does not constitute an offer in any other country or jurisdiction including the European Union.

Taxation considerations are general and based on present taxation laws, rulings and their interpretation as at the date of issue of this PDS. You should seek professional tax advice on your situation before making any decision based on this information. The Trustee is also not a registered tax (financial) adviser under the *Tax Agent Services Act 2009*, and you should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligation or claim entitlements that arise, or could arise, under a taxation law.

Insurance cover in Essential Super is provided by AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia, the 'Insurer'). AIA Australia is part of the AIA Group. The insurance cover is provided under policies issued to the Trustee.

Take note

This PDS also includes references to the following documents which contain statements and information incorporated by reference and which are taken to be included in the PDS:

- **Member Reference Guide**
- **Fees and Investments Reference Guide**
- **Insurance Reference Guide**
- **Thrive+ Sustainable Investment Charter.**

A reference to 'the PDS' includes a reference to all of these documents. You can download a copy of these documents at commbank.com.au/essentialinfo

The Target Market Determination (TMD) for Essential Super can be found at commbank.com.au/essentialinfo and includes a description of who the financial product is appropriate for.

Neither the Bank, HoldCo, nor any of their respective subsidiaries (including the Trustee and CFSIL) guarantee the performance of Essential Super or the repayment of capital by Essential Super. An investment in this product is subject to a risk of loss of income and capital invested. An investment in Essential Super is through a superannuation trust and is therefore not an investment in, deposit with or other liability of the Bank or its subsidiaries.

1 About Essential Super

If you are looking for a straightforward, competitively priced super fund or you are an employer (with an existing arrangement through the business Employer Super portal) wanting to meet your Superannuation Guarantee (SG) obligations by setting up a MySuper account on behalf of your employees, then Essential Super may be right for you.

Essential Super takes the complexity out of super by offering a MySuper product (the Lifestage investment option) as well as a range of single and multi asset investment options. It also offers automatic Lifestage default (age based) Death and Total and Permanent Disablement (TPD) insurance cover and access to Tailored Death only, Death and TPD or Salary Continuance Insurance (SCI) cover (subject to the insurer's acceptance) outlined in section 8 on page 12.

Take note

If a member of a super fund has not made an investment decision, any contributions made to their super must be invested in a MySuper product. A MySuper product must meet certain requirements set by the Government regarding fees, insurance and other matters. Information about the Lifestage investment options is available to view on the product dashboard at commbank.com.au/essentialinfo

Other information

You can find information about the Trustee and executive remuneration, as well as other prescribed documents, at commbank.com.au/essentialinfo

Who can be a member of the fund?

To be a member of Essential Super, you must be:

- at least 16 years old¹
- currently living in Australia
- an Australian citizen, permanent resident or a relevant visa holder.

¹ The Trustee may exercise its discretion to allow a person from 14 years of age to join the fund through the Essential Super employer arrangement.

2 How super works

Want to know more about how super helps you save for retirement? Here are the essentials.

What is super?

Super is a means of saving for retirement which is, in part, compulsory. It is a long term investment. If you're an employee, your employer puts part of your salary into your super account. These payments are called SG contributions, and they're likely to be a key part of your retirement savings plan. You can also add extra and because super earnings are taxed at a low tax rate, it can help you save more over time.

Most people can choose their own super fund into which their employer can pay their SG contributions or simply choose the one their employer suggests. Because super is for retirement, you generally can't take money out until you finish working, although there are a few very limited exceptions. But in the meantime, there's lots you can do to help your super grow.

Putting money into super

If you want to try to build your super faster, there are a few different ways you can put money into your account:

- compulsory employer contributions such as Super Guarantee or contributions under an industrial agreement
- voluntary employer contributions such as salary sacrifice
- personal contributions
- spouse contributions.

Different types of contributions have different rules, limits and tax rates.

Go to the **Member Reference Guide** for more information.

Some tax advantages of super

To encourage people to invest in super, the Federal Government has given it favourable tax treatment, making it one of the most tax-effective ways to save for retirement.

For example, when your employer contributes on your behalf, instead of paying your usual marginal tax rate on that money – up to 47% including Medicare levy – you'll generally pay just 15%.

Earnings within the fund are also taxed up to a maximum of 15%². And once you turn 60, there's generally no tax on the super benefits you withdraw. There can also be some tax advantages in contributing to your spouse's super, depending on your circumstances.

To limit the tax concessions, the Government has put limits, or caps, on how much you can contribute, for each contribution type. Once you exceed these limits, the tax advantages fall away, and your contributions may be taxed at rates of up to 47% including Medicare levy. Remember, tax can be complex and often unique to your own situation.

Find out more

You should read the important information about super before making a decision. Go to the 'How super is taxed' section in the **Member Reference Guide** at commbank.com.au/essentialinfo for more information. The material relating to super may change between the time you read this PDS and the day when you acquire the product.

3 Benefits of investing with Essential Super

Essential Super keeps it simple, with competitive fees, investment options to suit your needs and the flexibility to take your super from job to job. Best of all, you can keep track of your super anytime, through NetBank and the CommBank app.

Super where you can see it

Essential Super sits right next to your bank account in NetBank and the CommBank app, so you can view it anywhere and anytime to keep track of your super.

If you have NetBank, most communications will be sent to you electronically and you can access them in NetBank, however, some letters are required to be sent via post. If you don't have NetBank, the Bank may provide you with access so you can review and transact on your Essential Super account online. To find out how to register for NetBank, go to commbank.com.au/digital-banking/netbank

² The Government proposed on 28 February 2023, that from the 2025–26 financial year, an additional 15% tax will be applied to super earnings corresponding to total super balances above \$3 million. This proposal is not yet law.

Take your super from job to job

You wouldn't change your bank account every time you move jobs, so why would you change your super? With Essential Super, your super can move with you throughout your career.

Starting a new job can be stressful, but we're here to make it easier for you. With NetBank or the CommBank app, you can send a digitised form directly to your employer, either from the app itself or via email.

Searching for your super is now even easier

You can find and combine your super (including any unclaimed super held by the ATO) using NetBank or the CommBank app.

Refer to the 'Using your account' section in the **Member Reference Guide** for things you need to know before you rollover super from another fund.

Benefit from our competitive fees

Super is your money, so you don't want it being eaten away by excessive fees.

There is no establishment fee. See section 6 'Fees and Costs' for more information. Buy/sell spreads apply to all options, except the Cash Deposit option. Refer to the 'Buy/sell spreads' section in the **Fees and Investments Reference Guide** for more information.

Investment options to suit your needs

With Essential Super, you can simply leave it to us with our Lifestage option (our MySuper product) or, after opening your account, choose your own investment mix.

See 'How we invest your money' on page 5 for more information about your investment options.

Insurance for peace of mind

When you open an Essential Super account, you may be automatically provided with the default level of Lifestage Death and Total and Permanent Disablement (TPD) cover (subject to meeting certain conditions).

Your Lifestage insurance cover will be adjusted throughout your lifetime, increasing or decreasing at different times of your life.

You may also apply for additional insurance cover that can be tailored to suit your needs. Tailored cover may include Death only, Death and TPD or Salary Continuation Insurance (SCI) cover (subject to the insurer's acceptance). See Section 8, on page 12 for more information.

Of course, you can also change or cancel your level of insurance cover at any time in NetBank or by calling us on **13 4074**.

See section 8, 'Insurance in your super' on page 12 for more information.

Nominating someone to receive your super benefits

You only need to complete what is known as a Non-lapsing Death Benefit Nomination form to nominate who you'd like to receive your super and any insurance benefits if you die.

You can change or remove your nomination at any time by completing a new form.

Go to the **Member Reference Guide** for information on non-lapsing death benefit nominations and who you can nominate. You can find our Non-lapsing Death Benefit Nomination form at commbank.com.au/essentialinfo

Find out more

You should read the important information about transacting on your account before making a decision. Go to the **Member Reference Guide** at commbank.com.au/essentialinfo for more information. The material relating to transacting on your account may change between the time you read this PDS and the day when you acquire the product.

4 Risks of super

All investments carry risk. Investment markets have their ups and downs, and your super performance also depends on the options you choose. So it's important to understand the risks before you invest.

What are the risks?

No matter which investments you choose, you need to understand that:

- The value of your investment options will go up and down over time
- Returns are not guaranteed – and you may lose money
- Previous returns don't predict future performance
- Laws affecting super may change
- Your super savings may not be enough for your retirement.

Investment risks

Other risks associated with investing in Essential Super will vary, depending on your investment strategy.

Some investments and assets are riskier than others. Generally, assets with the highest long-term returns may also carry the highest level of short-term risk. Here's a summary of the main risks that may apply to your investments:

Risk type	Description
General risks	<ul style="list-style-type: none">• Market risk• Security and investment-specific risk• Management risk• Liquidity risk• Counterparty risk• Legal, regulatory and foreign investment risk• Environmental, social and governance (ESG) and climate risk

Investment-specific risks	These are risks that apply to specific investment options, such as currency risk or credit risk.
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But it's not just about the investment options you choose. Risk is also influenced by your age, how long you have until retirement, and what other investments, if any, you have. It also depends on how comfortable you are with the possibility of losing some of your investment in some years.

Find out more

You should read the important information about risks before making a decision. Go to the 'Risks of super' section in the **Fees and Investments Reference Guide** at commbank.com.au/essentialinfo for more information. The material relating to risks may change between the time you read this PDS and the day when you acquire the product.

5 How we invest your money

With Essential Super, you can be as 'hands on' as you want to be. Leave it to us, or choose from a range of investment options.

Your investment choices

When we open an account for you, we'll automatically invest your money in the MySuper Lifestage investment option based on your age. You can then choose (or change) your investment options in NetBank, the CommBank app, or by calling us on **13 4074** at any time after opening your account.

Your options are as follows:

Default	Description
Leave it to us (MySuper Lifestage investment option)	With each Lifestage option, we select investments we think are appropriate for the life stage of people of a similar age, and adjust them over time.

Choice	Description
Choose your own options	If you don't think the Lifestage option is right for you, after opening your account, you can choose from these investment options: <ul style="list-style-type: none">• Diversified Index• Balanced Index• High Growth Index• Thrive+ Sustainable Growth• Australian Shares Index• Global Shares Index• Global Property Securities Index• Cash Deposit.

Take note

Before choosing an investment option, think about the likely investment return of each option, the risks involved, and your investment timeframe.

About the Lifestage option

As you move through your life, investment needs change, along with your financial situation and attitude to risk. Our Lifestage option recognises this, with the investment mix changing as you get older.

For each Lifestage option, we'll select an investment mix that we believe best reflects the investment needs for that age group. Over time, we'll adjust the investment mix to take into account changing investment needs as you age.

For example, younger people usually have more time to withstand market ups and downs, so can generally take more risk for potentially higher long-term growth. So their investment mix will include more growth assets, like property and shares.

For people nearing retirement who want to protect their wealth, investments that carry less risk may be more appropriate. So for this age group, we will gradually reduce the allocation to growth assets and increase the allocation to defensive assets, such as fixed interest and cash. However, this does not take your personal objectives, financial situation or needs into account. You should make sure that the option is right for you.

Which Lifestage option

We have different Lifestage options, and will select the appropriate one for you based on the year you were born, as outlined in the table on the following page. If there is no Lifestage option for the year of your birth, we will use the Lifestage option closest to your date of birth.

Example:

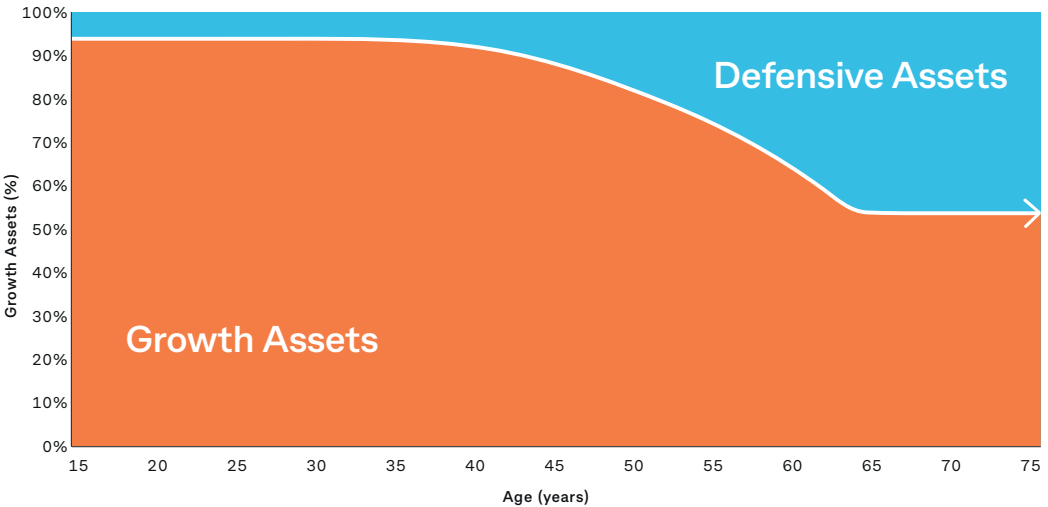
Sam was born in 1986. Sam will be invested in the Lifestage 1985-89 option.

Sam's investments will gradually move to a lower risk investment strategy as Sam moves closer to retirement. This change will happen automatically, so Sam won't need to move from one option to another.

Find out more

You should read the important information about the investment options before making an investment decision. Go to the **Fees and Investments Reference Guide** at commbank.com.au/essentialinfo for more information. The material relating to investments may change between the time you read this PDS and the day when you acquire the product.

Lifestage automatically adjusts the investment mix according to your age



Note: Indicative Lifestage as at 1 July 2024. This diagram is illustrative only.

Lifestage option	1945-49 1950-54 1955-59	1960-64	1965-69	1970-74	1975-79	1980-84	1985-89 1990-94 1995-99 2000-04 2005-09
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Investment objective summary (after fees and taxes)¹

CPI + (% p.a.)	CPI + 1.0%	CPI + 1.5%	CPI + 2.5%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%
Investment horizon (rolling period)	5 years	7 years	10 years	10 years	10 years	10 years	10 years



Strategic asset allocation (%) (range %)²

Cash and defensive alternatives	8.8 (0-20)	8.8 (0-15)	6.6 (0-15)	4.5 (0-15)	2.6 (0-10)	1.1 (0-5)	0.5 (0-5)
Fixed interest and private debt	35.2 (20-55)	28.9 (20-45)	16.2 (0-30)	9.5 (0-25)	4.9 (0-15)	2.0 (0-10)	0.9 (0-10)
Property, infrastructure and alternatives	12.8 (0-30)	13.6 (0-30)	15.0 (0-30)	17.1 (0-30)	17.0 (0-30)	17.2 (0-30)	17.2 (0-32)
Australian shares	17.8 (10-25)	20.0 (10-30)	25.7 (20-35)	28.5 (20-35)	31.3 (25-40)	33.0 (25-40)	33.7 (25-40)
Global shares and private equity	25.4 (20-40)	28.8 (20-45)	36.5 (25-45)	40.6 (25-45)	44.3 (30-50)	46.8 (30-50)	47.8 (30-55)

Minimum suggested investment timeframe

At least	5 years	7 years	10 years	10 years	10 years	10 years	10 years
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Standard Risk Measure³

Risk band		
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- ¹ The investment objective of the Lifestage option is to achieve a return of Consumer Price Index (CPI), plus a certain percentage, over a rolling period of time, depending on your Lifestage option. Refer to the **Fees and Investments Reference Guide** for each investment option profile.
- ² Effective 30 September 2024. The strategic asset allocations are targets and may change. Asset allocations may not sum to 100% due to rounding. For more information about asset classes go to the **Fees and Investments Reference Guide**.
- ³ This is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. For more information go to the **Fees and Investments Reference Guide**.

6 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 account 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, or your employer, as applicable, may be able to negotiate to pay lower fees.* 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) Moneysmart** website (www.moneySMART.gov.au) has a superannuation calculator to help you check out different fee options.

***Please note:** Although we are required by law to include this wording, the fees are not subject to negotiation.

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. Entry fees and exit fees cannot be charged.

Taxes, insurance fees and other costs relating to insurance are set out in sections 7 and 8 of this document.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

The fees and costs for each MySuper product offered by the superannuation entity, and each of the other investment options offered by the entity are set out in the following table and in the **Fees and Investments Reference Guide** available at commbank.com.au/essentialinfo

Fees and costs summary

Essential Super		
Type of fee or cost ¹	Amount	How and when paid
Ongoing annual fees and costs ^{2,3}		
Administration fees and costs ³	All investment options (except Cash Deposit)	The percentage-based administration fees and costs are reflected in the daily unit price and are deducted from the assets of your investment option(s) on a monthly basis. The dollar-based administration fees and costs are deducted from your account balance each month by the deduction of units from one of your investment options. Note: A lower amount will be deducted from your account as we give you the benefit of the tax deduction.
	Cash Deposit	
	Plus (for all options)	
	0.04% p.a.	
	0.35–0.70% p.a.	
	\$60 p.a. (\$5 per month)	

Essential Super

Type of fee or cost ¹	Amount	How and when paid
Ongoing annual fees and costs^{2,3}		
		We may also, at any time, choose to temporarily waive our administration fees. If this occurs, we'll notify you within three months of when the fee waiver takes effect and provide details of the change at commbank.com.au/essentialinfo . Refer to the 'Fees and costs' section in the Fees and Investments Reference Guide for further details on administration fees and costs.
Investment fees and costs ^{3,4}	Lifestage option 0.59–0.61% p.a. All other options 0.00–0.79% p.a.	<p>The investment fees and costs are reflected in the daily unit price and are generally deducted from the assets of the investment option on a monthly basis.</p> <p>Refer to the 'Fees and costs' section in the Fees and Investments Reference Guide for further details on investment fees and costs.</p>
Transaction costs ³	Lifestage option 0.00–0.03% p.a. estimated All other options 0.00% p.a. estimated	<p>These costs are deducted from the underlying assets of the investment option and are reflected in the daily unit price for that option. Depending on the costs, they may be deducted daily, monthly or at some other time.</p> <p>Refer to the 'Fees and costs' section in the Fees and Investments Reference Guide for further details on transaction costs.</p>
Member activity related fees and costs		
Buy/sell spread	Lifestage option 0.10% per transaction All other options Nil–0.10% per transaction	<p>This fee is payable each time you add to, withdraw from or switch to/from your investment option(s).</p> <p>Refer to the 'Fees and costs' section in the Fees and Investments Reference Guide for further details on buy/sell spreads.</p>
Switching fee ⁵	Nil	N/A
Other fees and costs	Insurance fees: If you have insurance cover refer to the Insurance Reference Guide for the insurance premiums and the Fees and Investments Reference Guide for the insurance administration fee.	<p>Deducted monthly in advance from your account.</p> <p>Note: Insurance fees will apply to all insurance cover (automatically approved cover or cover you select).</p>

- 1 Refer to the **Fees and Investments Reference Guide**, available at commbank.com.au/essentialinfo for definitions.
- 2 The fees and costs are estimates based on the costs incurred in the previous financial year.
- 3 If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
- 4 Investment fees and costs includes an amount of 0.00–0.06% for performance fees. The calculation basis for this amount is set out in the 'Additional explanation of fees and costs' section in the **Fees and Investments Reference Guide**.
- 5 Even though switching fees are not charged, buy/sell spreads apply to all options, except the Cash Deposit option. Refer to the **Fees and Investments Reference Guide** for more information.

All figures disclosed include the net effect of GST and any related GST credits. All fees are shown before any allowance for tax payable. The tax deduction claimed by the fund on fees payable in the fund is passed on to you in the form of a reduced fee. You can use the information in the table above to compare costs between different superannuation products.

Example of annual fees and costs for superannuation products

This table gives an example of how the ongoing annual fees and costs for the MySuper product (Lifestage 1985–89 option) for this superannuation product can affect your superannuation investment over a one-year period.

You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE—Lifestage 1985-89 option		BALANCE OF \$50,000
Administration fees and costs	0.04% p.a. plus \$60 p.a. (\$5 per month)	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$20 in administration fees and costs, plus \$60 regardless of your balance
PLUS Investment fees and costs	0.61% p.a.	And, you will be charged or have deducted from your investment \$305 in investment fees and costs
PLUS Transaction costs	0.02% p.a.	And, you will be charged or have deducted from your investment \$10 in transaction costs
EQUALS Cost of product		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of \$395 for the superannuation product.

Additional fees may apply. And, if you leave the superannuation entity, you may be charged a **buy/sell spread** which also applies whenever you make a contribution, exit, rollover or investment switch. The **buy/sell spread** for the Lifestage option is **0.10%** (for example, this will equal **\$50** for every \$50,000).

Note: Insurance costs will also apply. Refer to the **Insurance Reference Guide** for more details.

Changes to fees

The fees shown here are current at the date of issue of this PDS. However, they can change at any time, without your consent. If the change is an increase, we'll give you at least 30 days prior written notice. This excludes the Cash Deposit administration fees and costs which may vary,

within the range set out on page 8 and in the **Fees and Investments Reference Guide**, without prior notice. The cost components of fees which are estimates are also excluded, as the actual costs charged may be more or less than estimated.

Find out more

You should read the important information about fees and costs before making a decision. Go to the **Fees and Investments Reference Guide** at commbank.com.au/essentialinfo for more information. The material relating to fees and costs may change between the time you read this PDS and the day when you acquire the product.

7 How super is taxed

Tax laws can be complex, and everyone's situation is different. If in doubt you should speak to a tax specialist.

Your super may be taxed at three different stages:

- when you make a contribution to the fund
- while it's in the fund – earnings from your investments will be taxed
- when you withdraw money from the fund.

The Trustee will deduct any applicable tax and pay it to the ATO on your behalf.

Tax on super contributions

Depending on the type of contribution, different tax rules apply. There are also contribution limits (known as contributions caps) that apply depending on the type of contribution you make. These tax rules and contributions caps are explained in more detail in the **Member Reference Guide**.

If your contributions exceed the concessional or non-concessional caps, your contributions over the cap may be taxed at rates of up to 47% including the Medicare levy.

Tax on investment earnings

Any money your investments earn in the fund is taxed up to a maximum rate of 15%³. The actual rate may vary, depending on the type of earnings, the level of tax deductions and tax credits available to the fund. This can mean you'll pay less than 15%.

Tax on super benefits

When you're able to withdraw your super, the amount of tax you'll pay will depend on the type of super benefit, your age, and whether you receive your benefit as a lump sum or as a pension. It will also depend on the tax components that make up your super benefit. These are explained in more detail in the **Member Reference Guide**.

In most cases, if you are over 60 when you withdraw your super, you won't have to pay any tax on it (except for some death benefit payments). If you access your super before age 60, you may have to pay tax on some or all of your benefit.

Depending on your circumstances, there may be tax advantages in rolling your super into a pension, rather than taking it as a lump sum.

Take note

Your Tax File Number (TFN)

You should provide us with your TFN when you join Essential Super. If you don't provide us with your TFN, we are required under law to only accept certain types of contributions and additional tax may apply.

Why can we ask for it?

Under super law (*Superannuation Industry (Supervision) Act 1993*), we can collect, use and disclose your TFN.

How will we use it?

If you give us your TFN, you are giving us consent to use it for legal purposes. This includes

- disclosing your TFN to another super fund, when your benefits are being transferred, unless you request us in writing not to disclose your TFN to any other super provider; and
- where applicable and unless you opt out, searching for your other super accounts (see below).

If you provide your TFN, it will be treated confidentially.

³ The Government proposed on 28 February 2023, that from the 2025–26 financial year, an additional 15% tax will be applied to super earnings corresponding to total super balances above \$3 million. This proposal is not yet law.

What are the advantages of providing it?

You don't have to give us your TFN – it's not required by law. But giving us your TFN has the following advantages:

- we will be able to accept all permitted types of contributions to your account(s);
- other than the tax that may ordinarily apply, you will not pay more tax than you need to – this affects both contributions to your super and benefit payments when you start drawing down your super benefits; and
- it will make it much easier to find different super accounts in your name so that you receive all your super benefits when you retire.

Please note: The legal purposes may change in the future following legislative change, and the advantages of providing your TFN may also change.

How do we use your TFN to search for your other super accounts?

With your consent, when we search for your other super accounts, you are consenting to us acting on your behalf and using your TFN to search the ATO's SuperMatch program for super amounts held on your behalf by the ATO or by other super funds (and seeking more information from those funds about the accounts found). Your consent will be held on file and if at any time you wish to withdraw your consent, please contact us on **13 4074**.

We will let you know the results of all searches. Then, you can decide if you would like us to consolidate your super accounts with us. If you need advice on super consolidation, please talk to a financial adviser.

When will we be checking and updating your TFN?

Under current legislation, we are required to check whether you have supplied us with a valid TFN whenever we roll over or transfer your account balance. We may do this more often, to ensure that we have the most current and valid data for you. Where you don't provide us with a valid TFN, we may update our records with a TFN provided by the ATO.

In such an event we will not inform you of this update. If we receive a TFN from the ATO, you will be taken to have provided your TFN.

If you don't provide your TFN and you roll over your balance from another fund to Essential Super, the Trustee of the other fund may provide your TFN. If so, we will update our records accordingly.

Find out more

You should read the important information about taxation before making a decision. Go to the **Member Reference Guide** at **commbank.com.au/essentialinfo** for more information. The material relating to taxation may change between the time you read this PDS and the day when you acquire the product.

8 Insurance in your super

Insurance is an important part of your financial planning, as it provides you and your family with financial security should something unexpected happen to you.

Having insurance cover inside your super can potentially be both cost and tax-effective.

Insurance cover in Essential Super is provided by AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia, the 'Insurer') through group policies issued to the Trustee.

Types of insurance cover

The types of insurance cover available in Essential Super are:

Cover	Description
Death cover	A benefit is paid in the event of your death or terminal illness.
Total and Permanent Disablement (TPD) cover	A benefit is paid if you become totally and permanently disabled.
Salary Continuance Insurance (SCI) cover	A monthly benefit is paid if you are totally disabled or partially disabled because of an illness or injury.

Take note

If you have more than one account in Essential Super, you will only be paid an insurance benefit on one account. Also, if you only have

Lifestage cover, once you've been paid a death or TPD benefit, your death and TPD cover will end and you'll never again be paid this type of benefit under the policy. Go to the **Insurance Reference Guide** at commbank.com.au/essentialinfo for more information.

Categories of cover

There are two categories of insurance cover in Essential Super:

Lifestage cover	You automatically receive a default level of death and TPD cover if you are eligible. The amount of cover depends on your age and is automatically adjusted.
Tailored cover	You can apply for the type of cover and the amount of cover which is right for you.

How it works

Lifestage cover

When you open an account (or your employer opens one up for you), you may automatically be provided with Death and TPD cover; known as **Lifestage** cover. To be eligible you must be less than 65 years of age. Cover for eligible members will only automatically start once you reach age 25 and have an account balance of \$6,000.

If you are under the age of 25 or have a balance of less than \$6,000, we will issue you a notice to give you the opportunity to get cover. You can instruct us in writing within 120 days of receiving this notice that you want cover.

If we set up your account as a result of splitting another member's account in accordance with a Family Law Arrangement, you are not eligible for Lifestage default cover. Lifestage default cover is available if you subsequently elect to maintain your benefit with Essential Super.

Take note

Unless you cancel your insurance cover, premiums will be deducted from your account.

How much cover will you get?

The amount and type of cover you'll receive depends on your age. We'll automatically adjust this amount throughout your life. The cover you may receive is shown in the following table, as 'your default cover'.

Your age next birthday	Lifestage Your default cover	Death If you choose to halve	TPD If you choose to double
15–20*	\$50,000	\$25,000	\$100,000
21–25*	\$75,000	\$37,500	\$150,000
26–30	\$150,000	\$75,000	\$300,000
31–40	\$200,000	\$100,000	\$400,000
41–45	\$150,000	\$75,000	\$300,000
46–50	\$100,000	\$50,000	\$200,000
51–55	\$80,000	\$40,000	\$160,000
56–60	\$60,000	\$30,000	\$120,000
61–65	\$40,000	\$20,000	\$80,000
66–70	\$25,000	\$12,500	\$50,000

* Lifestage cover is available on an opt-in basis subject to eligibility - see the **Insurance Reference Guide** for further information.

When you are younger, your cover provided will be lower, as you're less likely to have high financial commitments or debt. In the years when you're more likely to be raising a family and paying a mortgage, your cover will increase.

Then as you get older and move out of this stage, your cover will reduce. For example, when you are turning 26 next birthday, your Lifestage default cover will be \$150,000, and when you are turning 31 next birthday, your Lifestage default cover will automatically increase to \$200,000.

Take note

You can halve or cancel your Lifestage default cover, at any time after your cover has commenced, in NetBank, the CommBank app or by calling us on **13 4074**. You can also double your Lifestage default cover, subject

to the insurer's acceptance. You should read the important information about insurance in the **Insurance Reference Guide** before making a decision.

How much does insurance cover cost?

While insurance through super is generally cost-effective, it is an additional expense to you. The amount you'll pay for your cover depends on:

- the type of cover you have
- the amount of cover
- your age
- whether you're male or female.

And once your cover is in place, your insurance premiums won't increase because of any change in your health – although they will generally increase each year with age. The costs range from an annual premium of \$24 to \$1,689 for Lifestage default Death and TPD cover. Go to the 'Insurance premiums' section in the **Insurance Reference Guide** at commbank.com.au/essentialinfo for the insurance premium rates that will apply to you.

Tailored cover

You can apply for additional insurance cover to suit your needs. Tailored cover may include Death, TPD and SCI cover. You can apply for cover in NetBank or the CommBank app. Your application for Tailored cover will need to be assessed by the insurer and will commence when:

- the insurer has accepted your application for insurance, and
- you have a sufficient account balance in your Essential Super account to cover the monthly insurance premiums.

You will be notified in writing of the insurer's assessment of your application and, if it is accepted, the date that your Tailored cover or increase in cover commences.

Transferring cover

If you have other insurance cover with another fund, you may be able to apply to transfer your cover as Tailored cover into your Essential Super account. Please refer to the **Insurance Reference Guide** at commbank.com.au/essentialinfo for more information.

Paying insurance premiums

The cost of your insurance – called a premium – is deducted from your super account, monthly in advance. To pay your premiums, we'll sell units in the Lifestage investment option – if there are no funds or not enough funds here, we'll choose the next most conservative (least risky) option available. If you don't have enough in your account to cover your insurance premiums, your cover may lapse. You have 90 days from the last premium due date to pay the premiums. After that, your cover will lapse. You can check your insurance costs at any time in NetBank or the CommBank app, on the insurance page of your Essential Super account.

Changing or cancelling your cover

You can change or cancel your cover at any time in NetBank, the CommBank app or by calling us on **13 4074** after your cover has commenced.

If you have Lifestage default cover, you can choose to halve or double your cover, or change your insurance to only cover you in case of death.

You can only apply for new or increased cover if you are under the age of 65. Cover is subject to the insurer's acceptance. Please refer to the **Insurance Reference Guide** at commbank.com.au/essentialinfo for more information.

Making a claim

If you or a beneficiary needs to claim on your cover, you'll need to tell us what's happened as soon as possible. Please call us on **13 4074** for details.

What's not covered

Under Lifestage cover, for at least the first two years that you hold insurance cover, you will not be covered for an illness or injury that:

- you first became aware of (or a reasonable person in your circumstances would have first become aware of) before your cover commenced, or most recently commenced, or
- is related to an illness or injury that occurred before your cover commenced or most recently commenced.

This exclusion will no longer apply if you're capable of working for 30 consecutive days:

- immediately before the two-year period ends; or
- at any time after the two-year period ends.

Additionally, a claim resulting from suicide or self-inflicted injury that has occurred within 12 months of your cover commencing or increasing will not be paid. Additional exclusions also apply. Please read the 'What's not covered' section in the **Insurance Reference Guide** for further information on exclusions.

Find out more

You should read the important information about insurance, including the ability to cancel this cover, the conditions and exclusions before making a decision. These matters may affect your entitlement to insurance cover. For more details refer to the **Insurance Reference Guide** at commbank.com.au/essentialinfo. The material relating to insurance may change between the time you read this PDS and the day when you acquire the product.

9 How to open an account

Your super is important, so make sure you're fully informed before you decide. And if you have any questions, remember we're here to help.

Before you apply

Before you decide to apply for Essential Super, you should read all parts of the PDS and the **Reference Guides**. You can get copies of these documents, free of charge, at commbank.com.au/essentialinfo or by emailing contactessentialsuper@cfs.com.au or by calling **13 4074**. You need to consider the information in the **Application Form**. You can get access to this information when you apply online via NetBank or CommBank app. You should also consider whether this product is appropriate for you.

By completing the application, you agree to the content of the PDS that's available at the date you become a member of Essential Super. After that, we'll notify you of changes to the PDS in accordance with our legal obligations. The Trustee of Essential Super is not bound to accept an application.

Is there a cooling-off period?

If you have set up the account yourself, you have a 14-day cooling-off period. If you decide that Essential Super is not right for you, any contributions you've made, or other transferred super, will be transferred to another super fund

of your choice. If your employer has set up the account, you cannot use the cooling-off period yourself.

If you are an employer and have set up an Essential Super account for your employees, you have a 14-day cooling-off period from the date of the first application. If you, as an employer, decide to exercise the cooling-off period, we will transfer the employer contributions made to another fund nominated by you.

The 14 days start when your welcome letter is received by you or five days after the units are issued, whichever occurs first. The amount returned may be less than your original contribution due to market movements, tax and administration and transaction costs.

Privacy

Your personal information is important to us. For more information, please refer to the **Member Reference Guide**. To view the long form Privacy Collection Notice and Privacy Policy please visit cfs.com.au/privacy.

What to do if you have a complaint

To lodge a complaint, you can contact us by:

Phone:	13 4074
Email:	membercare@cfs.com.au
Mail:	Complaints Resolutions Reply Paid 27 Sydney NSW 2001

For full details on how we deal with complaints, and your ability to access external dispute resolution through the Australian Financial Complaints Authority, please refer to the **Member Reference Guide**.