

# Living Super Product Disclosure Statement

USI 13 355 603 448 001  
1 June 2017



## Important Information and Issuer Information

### Important information

This *Product Disclosure Statement (PDS)* is a summary of significant information and includes a number of references to other important information (which forms part of the *PDS*), namely the ING DIRECT Living Super Product Guide (*product guide*) and ING DIRECT Living Super Defined Fees Guide (*defined fees guide*).

Italicised terms not defined in the body of this *PDS* are defined in the glossary in section 12 of the *product guide*.

The information in the *PDS*, *product guide* and *defined fees guide* may change. If the change is material, members of ING DIRECT Living Super will be communicated to about this change. To obtain a copy of the *PDS*, *product guide* and *defined fees guide* or to access information on [changes](#) to these documents that are not materially adverse, please go to [ingdirect.com.au](http://ingdirect.com.au) or call us.

You should consider the important information in the *PDS*, *product guide* and *defined fees guide* before making a decision about ING DIRECT Living Super. By investing in ING DIRECT Living Super, you agree to be bound by the terms of this *PDS* (including the *product guide* and *defined fees guide*), the *trust deed* and rules of ING DIRECT Living Super. In the event of any inconsistency between this *PDS* and the *trust deed* and rules, the terms of the *trust deed* and rules prevail.

**Warning:** The information in the *PDS* is of a general nature and doesn't consider your particular investment objectives, circumstances, financial situation or needs. Whilst this *PDS* is up to date as at the time of preparation, the rules and regulations that govern superannuation may change from time to time. You should consider obtaining financial advice tailored to your personal circumstances from a licensed financial adviser before deciding to join ING DIRECT Living Super.

As permitted by the *trust deed* and the relevant law which governs superannuation funds in Australia, we reserve the right to change the terms and conditions of ING DIRECT Living Super at any time.

So that we can continue to meet your investment and insurance needs, we will monitor the investment options and the insurance cover provided through ING DIRECT Living Super. Therefore we may add, close or terminate investment options, replace or add new investment managers or change investment strategies, asset classes, benchmarks or ranges of investment options without prior notice to you. We may also change the insurance offering.

We will notify you of any material changes to ING DIRECT Living Super in accordance with the legislative requirements.

### Issuer / trustee

This *PDS* is issued by Diversa Trustees Limited ABN 49 006 421 638, AFSL 235153 RSE L0000635, the *trustee* of the ING DIRECT Superannuation Fund ABN 13 355 603 448 (*fund*).

<sup>1</sup> SuperRatings does not issue, sell, guarantee or underwrite this product. Go to [www.superratings.com.au](http://www.superratings.com.au) for details of its ratings criteria.

<sup>2</sup> Canstar 5 Star Superannuation rating awarded in September 2016.

<sup>3</sup> Canstar 5 Star Pension rating awarded in April 2017.

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ING DIRECT Living Super is a product issued out of the *fund*, SPIN TCS0012AU, USI 13 355 603 448 001.

The *trustee* is required to disclose certain trustee and fund information and documentation on a website. Accordingly, when applicable, the *trustee's* website ([www.diversa.com.au/trustee](http://www.diversa.com.au/trustee)) and ING's website contains the required information and documentation. The information and documentation is expected to include, but is not limited to, the following: the *trust deed*, the *PDS*, the most recent Annual Report and the names of each material outsourced service provider to the *fund*.

### Promoter

ING DIRECT is a division of ING Bank (Australia) Limited ABN 24 000 893 292, AFSL 229823. ING DIRECT is the *promoter* of the *fund*. The *promoter* has consented (and not withdrawn its consent) to the inclusion of statements made by and referring to it in the form and context in which they appear. An investment in ING DIRECT Living Super is neither a deposit nor liability of ING Bank (Australia) Limited or any of its related corporations and none of them stands behind or guarantees the *fund*.

### Insurer

The insurance cover offered by ING DIRECT Living Super is provided by MetLife Insurance Limited ABN 75 004 274 882, AFSL 238096 (*insurer*). The *insurer* has consented (and has not withdrawn its consent) to the inclusion of statements in this *PDS* which relate to insurance, in the form and context in which they appear.

### Eligibility

The invitation in this *PDS* to become an ING DIRECT Living Super member is only available to persons receiving this *PDS* in Australia. ING DIRECT Living Super is open to Australian residents (that are not U.S. Persons) aged 13 years or older with an Australian address, phone number, valid email address and Tax File Number.

## 1. About ING DIRECT Living Super

ING DIRECT Living Super offers a wide range of investment and insurance options.

Whether you are looking for the safety of cash and Term Deposits, *managed investments* or real time share & exchange traded product (ETP), ING DIRECT Living Super has been structured to give you great flexibility and convenience. More information on the investment options is set out in section 5 of this *PDS* and section 5 of the *product guide*.

The investment and insurance options are offered through three types of *accounts*.

They are the:

- *Super account* (no minimum initial investment);
- *Transition to retirement (TTR) account* (a minimum initial investment of \$20,000 is required); and
- *Pension account* (a minimum initial investment of \$20,000 is required).

ING DIRECT Living Super is independent from your *employer*, so if you change jobs, you can remain in ING DIRECT Living Super and continue enjoying its benefits.

## 2. How super works

Superannuation is a long-term investment, designed to help you in your retirement. Understanding how your super *fund* works enables you to maximise and protect your retirement savings.

Some super *contributions* are compulsory *contributions* made by your *employer* and include *contributions* made under an award, or superannuation guarantee (SG) *contributions*. You can usually ask your *employer* to pay the SG *contributions* to a super fund of your choice.

### Boosting your super

In addition to SG *contributions*, if you have a *super account* you can increase your retirement savings by making the following *contributions*:

- Voluntary personal *contributions*;
- Salary sacrifice *contributions*;
- Spouse *contributions*; and
- *Contributions* if you are self-employed.

Tax concessions are provided by the Government, however you need to carefully monitor the dollar amount of super *contributions* you make as the government has set dollar limits on the total value of the super *contributions* you can make each financial year before additional tax is imposed. There is more detail about the *contribution* caps in section 7 of this *PDS* 'How super is taxed'.

### Consolidation of other super accounts

If you have a number of superannuation accounts you may be paying fees for each *account*. You should consider if it is beneficial for you to consolidate your superannuation accounts into ING DIRECT Living Super. You may also have money in 'lost super' accounts which could be transferred into ING DIRECT Living Super.

You should read the important information about consolidating your super accounts before making a decision. Go to the *product guide* and read the 'How your ING DIRECT Living Super account works' and 'How super works' sections. The material relating to *contributions* may change between the time when you read this *PDS* and the day when you acquire this product.

## Accessing your super benefits

There are restrictions on when you can access your super. Generally, you cannot withdraw your super until you reach your preservation age and retire or you turn 65 (regardless of whether you retire). If you are using the *TTR account* option, you can access some of your super after you reach your preservation age if you are still working. The current preservation age is between 55 and 60 (inclusive), depending on your date of birth.

You should read the important information about accessing your super benefits before making a decision. Go to the *product guide* and read the 'How super works' section. The material relating to accessing your super benefits may change between the time when you read this *PDS* and the day when you acquire this product.

## 3. Benefits of investing with ING DIRECT Living Super<sup>4</sup>

ING DIRECT Living Super is a flexible super solution that offers a wide range of investment and insurance options, as well as other features to give you greater control over your super.

With ING DIRECT Living Super you can:

- Tailor your investment mix with access to a wide range of *managed investments*, Term Deposits and real time share & ETP trading for even greater flexibility.
- Cover the risks in your life through insurance including death cover, *total and permanent disablement (TPD)* cover and *income protection (IP)* cover.

### Simple and straightforward to use

ING DIRECT Living Super makes it easy with:

- a simple online or phone *application* process. You can also open an *account* through an ING DIRECT accredited financial adviser;
- mobile access so you can view your Living Super balances along with your other ING DIRECT accounts;
- online access so you can manage your super and insurance, as well as switch investments and trade shares and exchange traded products;
- our contact centre is available 24x7 and we have super specialists available between 8am – 8pm Monday to Friday and 9am – 5pm Saturday (AEST/AEDT);
- the ability to *rollover* and consolidate your super online;
- access to personal advice through our *advice provider* on your super should you need some help with your investment and insurance decisions; and
- access to online tools and research that give you greater control of your super.

You should read the important information about the benefits of ING DIRECT Living Super before making a decision. Go to the *product guide* and read the 'Benefits of ING DIRECT Living Super' section. The material relating to the benefits of investing with ING DIRECT Living Super may change between the time when you read this *PDS* and the day when you acquire this product.

<sup>4</sup> Living Super rates are available at [ingdirect.com.au](http://ingdirect.com.au). Buy-sell spreads and other incidental transaction costs apply to all *managed investment* options, including the Balanced option. Buy-sell spreads and other transaction costs are retained within the manager investment and are not fees paid to ING DIRECT or the *trustee*. The *trustee* may replace one or more of the underlying investment managers which may affect the fee structure for the investment options. In addition other factors may arise which may cause the fee structure for Living Super to change. Should this occur the *trustee* may vary the fees for ING DIRECT Living Super without your consent by giving at least 30 days' notice where an increase applies.

## 4. Risks of super

### Investment risks

ING DIRECT Living Super offers a range of investment options each of which carry a different level of risk, depending on the assets that make up the option. As a result, the potential for the value of your investment to increase or decrease will differ for each investment option.

When considering how to invest in super, it is important you understand that:

- all investments carry risk;
- different strategies may carry different levels of risk, depending on the assets that make up your investment strategy;
- investment returns are not guaranteed, and you may lose some of your money;
- the level of returns will vary, and future returns may differ from past returns;
- the value of your super can fluctuate depending on the investment options and risks associated with those investment options;
- investment options and other investments may be closed or terminated at any time;
- past performance is not an indicator of future performance;
- laws affecting your super may change and affect the return and level of risk of your investment;
- the amount of your future super savings (including *contributions* and returns) may not be enough to provide adequately for your retirement; and
- assets with the highest long-term returns may also carry the highest level of short term risk.

You should ensure that you consider your investment options and preferences carefully and consider seeking financial advice, where necessary.

You should read the important information about investment risks of super before making a decision. Go to the [product guide](#) and read the section about 'Risks in super'.

The material relating to risk may change between the time when you read this *PDS* and the day when you acquire this product.

### General risks

#### Changes in legislation

Laws regarding super may change and this may have an impact on how you can invest your super, the amount or type of *contributions* you may make or other matters.

#### Changes in the trust deed

The *trustee* may make changes to the *trust deed* and rules of the *fund*.

#### Duty of disclosure

When completing your *application* for insurance, if you do not comply with your *duty of disclosure* as set out in the *product guide*, the *insurer* may not pay if you make an insurance claim, or may only pay a portion of your claim.

Other significant risks that can affect you are the impacts of commodity price risk, concentration risk, conversion risk, counterparty risk, credit risk, currency risk, derivatives risk, economic risk, fee risk, government risk, inflation risk, insurance claim risk, insurance cover risk, interest rate risk, investment objectives risk, liquidity risk, manager risk, market risk, no insurance cover risk, operational risk, specific security risk and taxation risk. To find out more about these risks, please refer to section 8 'Risks in Super' of the *product guide*. The level of risk acceptable to each person will vary depending on a range of factors. To help you determine how comfortable you are with risk, you should take into consideration your age, your planned retirement date, any other investments you may have and your overall risk tolerance.

You should read the important information about the risks of super before making a decision. Go to the [product guide](#) and read the section about 'Risks in super'. The material relating to risk may change between the time when you read this *PDS* and the day when you acquire this product.

## 5. How we invest your money

With ING DIRECT Living Super you can pick from a range of investment options that are straightforward, cost effective and provide flexibility for all life stages. You can invest in one or mix and match to suit your personal risk preferences. In addition to the investment options your *account* has a *Cash Hub* which must hold a minimum balance (detailed in the table below).

When you first open your ING DIRECT Living Super account you will have four choices for how you want to invest your money:

- High Growth option – you can choose to be invested 100% in the High Growth option, subject to the *Cash Hub* minimum requirements
- Growth option – you can choose to be invested 100% in the

Growth option, subject to the *Cash Hub* minimum requirements

- Balanced option – you can choose to be invested 100% in the Balanced option, subject to the *Cash Hub* minimum requirements.
- *Customise your own* – Create your own portfolio by allocating your balance into any of our investment options. If you would like to invest your balance into Term Deposits, Shares or Exchange Traded Products please place these funds into the *Cash Hub* and you will be able to open your Term Deposits or Share Trading account once your Living Super account has been opened.

**Warning:** When you are choosing your investment options, you should consider the likely investment return, risk and how long you will be investing your super. If necessary you should seek financial advice.

Investment categories	Safe	Smart	Select	Shares	Cash Hub
<b>Investment options</b>	<ul style="list-style-type: none"> <li>• Cash option</li> <li>• Term Deposits                             <ul style="list-style-type: none"> <li>- 3 months</li> <li>- 6 months</li> <li>- 1 year</li> <li>- 2 year</li> </ul> </li> <li>(2 year Term Deposit only available to super accounts)</li> </ul>	<ul style="list-style-type: none"> <li>• Balanced</li> </ul>	<ul style="list-style-type: none"> <li>• Growth</li> <li>• High Growth</li> <li>• Australian Shares</li> <li>• International Shares</li> <li>• International Shares (Hedged)</li> <li>• Australian Fixed Interest</li> <li>• International Fixed Interest (Hedged)</li> <li>• Australian Listed Property</li> </ul>	<ul style="list-style-type: none"> <li>• Securities in the S&amp;P/ASX 300 index</li> <li>• Selected exchange traded products</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Cash Hub</i> (the transaction account)</li> </ul>
<b>Minimums</b>	\$1,000 in each Term Deposit	No minimum	No minimum	\$10,000 total account balance required before you can invest in the Shares investment category	The <i>Cash Hub</i> must hold a minimum of \$500 or 1% of your account balance (whichever is greater and capped at \$10,000), plus the <i>insurance premiums</i> , <i>pension payments</i> (if applicable) and fees due to be paid in the following two months

You should read the important information about the different investment options including switching between investment options, how we may change the investment options, the extent to which labour standards or environmental, social or ethical considerations are taken into account before making a decision. Go to the [product guide](#) and read the 'Investment options' section. The material may change between the time when you read this PDS and the day when you acquire the product.

## Living Super – Growth option

### Strategy and return objective

The long term asset allocation of the Growth option is 70% growth assets and 30% defensive assets. This investment option invests in cash, Australian and International fixed interest, Australian and International shares (hedged and unhedged), and Australian listed property. The option can invest directly or indirectly via managed investments. This option aims to achieve a 2.5% average annual return above inflation (CPI) over 8 years after fees and taxes.

### Minimum suggested investment timeframe

At least 8 years.

### Risk label

High – The Growth option will most likely suit if you seek a medium to long term investment and moderate – high returns, and accept the possibility of losses in capital.

Target asset allocation (benchmark and range)		
Asset Class	Ranges	Target
Australian shares	25 - 45%	35%
International shares	5 - 25%	15%
International shares (Hedged)	5 - 25%	15%
Australian listed property	0 - 15%	5%
Australian fixed interest	0 - 25%	15%
International Fixed Interest (Hedged)	0 - 10%	0%
Cash	5 - 25%	15%

## 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 fees and costs based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website [www.moneySMART.gov.au](http://www.moneySMART.gov.au) has a superannuation calculator to help you check out different fee options.

### Fees and costs for Living Super's Growth option<sup>^</sup>

The following information can be used to compare costs between different superannuation products.

Select – Growth Option		
Type of fee	Amount	How and when paid
Investment fee	0.25% p.a. on the account balance in Growth investment option	Calculated daily and factored into the unit price
Administration fee	\$5 per month (or \$60 p.a.) <b>Plus</b> , 0.64% p.a. (0.50% p.a. on the account balance in Growth investment option capped at \$2,500 p.a. plus an ORFR fee estimated to be between 0.03 – 0.14% p.a. on the total account balance)	Calculated daily, deducted from the Cash Hub monthly on the last day of the month or when you close your account
Buy-sell spread	Estimated to be between 0.10% and 0.12% when buying or selling units	Included in the unit price
Switching fee	Nil	Not applicable
Exit fee	Nil	Not applicable
Advice fees* relating to all members investing in the applicable investment option	Nil	Not applicable
Other fees and costs*	Nil (subject to any insurance premiums payable)	Deducted at the end of the month from your Cash Hub balance
Indirect cost ratio	0.01%	Deducted from the investment returns of the underlying investments

<sup>^</sup> All fees and costs expressed in this PDS are inclusive of GST less any reduced input tax credits.

\* See the section 'Additional explanation of fees and costs' for further information about other costs such as the Member advice fee, brokerage fees and, if applicable, Family Law fees, service fees and insurance premiums.

You can find similar detailed information about the other investment options in section 6 of the product guide.

The provisions of ASIC Class Order 14/1252 (as amended by the ASIC Corporations (Amendment) Instrument 2016/1224 and the ASIC Corporations (Amendment and Repeal) Instrument 2015/876) applies to this Product Disclosure Document.

## Example of annual fees and costs for Living Super's Growth option

The table below gives an example of how the fees and costs for the Growth option for this superannuation product can affect your super investment over a one year period. You should use this table to compare this superannuation product with other super products.

Example - Living Super's growth investment option		Balance of \$50,000
<i>Investment fees</i>	0.25% p.a. on the <i>account</i> balance in Growth investment option	For every \$50,000 you have in this superannuation product you will be charged \$125 each year
<b>PLUS</b> Administration fees	\$5 per month (or \$60 p.a.) <b>Plus</b> , 0.64% p.a. (0.50% p.a. on the <i>account</i> balance in Growth investment option capped at \$2,500 p.a. plus an ORFR fee estimated to be between 0.03 - 0.14% p.a. on the total <i>account</i> balance)	<b>And</b> , \$60 each year regardless of balance <b>And</b> , for every \$50,000 you have in this superannuation product you will be charged \$320 every year
<b>PLUS</b> Indirect costs for the superannuation product	0.01%	<b>And</b> , indirect costs of \$5 will be deducted from your investment
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$510**</b> for the superannuation product

Note: \*\*Additional fees may apply. **And**, if you leave the superannuation entity, you may be charged an **exit fee** of \$0 and a **buy/sell spread** which also applies whenever you make a *contribution*, *exit*, *rollover* or investment switch. The **buy/sell spread** for exiting is **0.10%** (this will equal to **\$50** for every \$50,000 you withdraw).

The terms used in the fee tables above have the meanings given to them in the Superannuation Industry (Supervision) Act 1993 (Cth) and Corporations Regulations 2001 (Cth). You can view those definitions in section 12 of the *product guide* and the *defined fees guide* ([www.ingdirect.com.au/pdf/Living\\_Super\\_Fees\\_Guide.pdf](http://www.ingdirect.com.au/pdf/Living_Super_Fees_Guide.pdf)).

## Additional explanation of fees and costs

### Member advice fee

**Warning:** If you choose to consult a financial adviser about your super, you can agree to pay them a fee and have that fee deducted from your ING DIRECT Living Super account.

The fee will be outlined in the Statement of Advice provided by your financial adviser. The Member Advice Fee requested is inclusive of GST. RITC and other tax rebates may reduce the net amount payable by you.

See 'Personal advice when you need it' in section 2 of the *product guide* for more information.

### Administration fees

The administration fee is made up of three components:

- A flat fee of \$60 p.a. deducted from the *Cash Hub* monthly (\$5 per month) regardless of your balance. This is applicable to all accounts.
- The Operational Risk Financial Requirement applicable to all accounts (refer to section Administration Fee - Operational Risk Financial Requirement); and
- The 0.50% fee for the Smart, Select and Shares investment categories.

### Administration fee – ORFR

Super funds are required by APRA to hold capital reserves to cover the risk of loss to members from an operational risk. This is known as the Operational Risk Financial Requirement (ORFR). The aim of this is to ensure that trustees have access to resources to compensate members for certain operational risk events that may adversely impact their benefits.

The *Trustee* previously fully funded this on behalf of customers, however from 1 June 2017 an ORFR fee estimated to be between 0.03 - 0.14% p.a. of your total *account* balance will now apply to all customers to fund this and any associated administration costs on an ongoing basis.

### Investment fees

Investment options in the Smart and Select investment categories are subject to *investment fees*. *Investment fees* are based on a number of factors and will vary from time to time. There are no *investment fees* for the *Cash Hub*, Safe and Shares investment category. Please see section 6 of the *product guide* for more details.

### Buy-sell spread

Transaction costs (e.g. fund level brokerage and other incidental transaction costs) are incurred when buying and selling units in *managed investment* options and when auto rebalancing occurs. The buy-sell spread is retained within the *managed investments* (that is, it remains an asset of the relevant *fund* or other investment) and is not a fee paid to ING DIRECT or the *trustee*. For more detail on this please see section 6 of the *product guide*.

### Transactional and operational costs

Transactional and operational costs are costs incurred relating to the underlying investment managers' buying and selling of investments and may include costs such as brokerage, buy-sell spreads of our underlying investments (where applicable), settlement costs (including settlement related custody costs), stamp duty on investment transaction costs and clearing costs.

Transaction and operational costs are reflected in the stated fees and costs within this *PDS* and *product guide*.

For more detail on this please see section 6 of the *product guide*.

### Brokerage costs for the Shares category

Brokerage costs are deducted from the *Cash Hub* when a trade of *listed securities* is requested. For more detail on this, please see section 6 of the *product guide*.

### Insurance premiums

If you have insurance cover, the cost of your *insurance premiums* are deducted from your *Cash Hub* on the last day of every month or, if this is not a *business day*, the next *business day*, and paid to the *insurer*. For more information, see section 8 of this *PDS*, and section 9 of the *product guide*.

### Taxes

Applicable taxation information (including information as to whether any tax deduction is passed on to you in the form of a reduced fee or cost) is set out in section 7 of this *PDS*, and section 7 of the *product guide*.

### Service fee for premium market research

If you have subscribed to premium market research, you may be charged an additional service fee. This will be deducted from the *Cash Hub* on the first *business day* of the month.

## Changing fees

The fees set out within this *PDS* and *product guide* may be varied without your consent. We will give you at least 30 days notice of any increase to the fees for ING DIRECT Living Super.

You should read the important information about fees and other costs before making a decision. Go to the [product guide](#) and read the section relating to 'Fees and other costs'.

Definitions of the fees are also available in the *defined fees guide*. The material relating to fees and other costs may change between the time when you read this *PDS* and the day when you acquire this product.

## 7. How super is taxed

### The super account

Investing in super generally offers taxation advantages.

### Tax on contributions

#### When you make your contribution – Contributions tax

All *employer contributions* made from your pre-tax (gross) salary (including amounts that have been salary sacrificed), and any *personal contributions* for which a tax deduction is claimed, are subject to a 15% *contributions tax*. These *contributions* and certain other amounts are known as *concessional contributions*.

*Personal contributions* that are not claimed as a tax deduction and *spouse contributions* are not taxed. These *contributions* and certain other amounts are known as *non-concessional contributions*.

Tax on *contributions*, where applicable, is deducted each time a *contribution* is made to your *super account*.

Low *income* taxpayers may be entitled to a *contribution* from the Government of up to \$500. Effective 1 July 2012, anyone earning more than \$300,000 (\$250,000 from 1 July 2017) (conditions apply) may be subject to an additional 15% *contributions tax* on excessive *concessional contributions*.

#### The amount of your contribution – Contribution caps

The Government has set dollar limits (or caps) on the amount that can be contributed to your super each year before additional tax becomes payable. These limits are called contribution caps.

The amount of the contribution cap depends on whether the *contributions* are concessional (\$30,000 per annum for individuals under age 49 at 30 June 2016 and \$35,000 per annum for individuals age 49 and over at 30 June 2016 and \$25,000 per annum for individuals of all ages from 1 July 2017) or non-concessional (for 2016/17 \$180,000 per annum although a cap of \$540,000 may be available in certain circumstances and from 1 July 2017 \$100,000 per annum with a cap of \$300,000 available within a 3 year period in certain circumstances). If you exceed the concessional contribution cap for a financial year, the excess will generally be assessed against your non-concessional contribution cap. (An exception may arise where you elect to release the excess concessional contributions from your *super account*).

**WARNING:** If you exceed the relevant contribution cap for a financial year, you may be assessed by the ATO as having to pay an excess *contributions tax*. Excess concessional *contributions* will be included in your assessable *income* for the corresponding financial year and taxed at your marginal tax rates plus the *Medicare levy* less a 15% offset. In addition, you will be liable for the excess concessional *contributions charge*. If you exceed the non-concessional contributions cap, you may be subject to excess

non-concessional contributions tax. You have a choice of how your excess non-concessional contributions will be taxed. You can choose to release the amount from your superannuation account, pay the excess non-concessional contributions tax or advise the ATO you have no money in superannuation. You elect your choice by completing the ATO excess non-concessional contributions (ENCC) election notice and returning to the ATO. Once you have made your election it cannot be changed.

### Things you should know: You need to monitor contributions made to all your super funds.

#### On investment earnings

Investment earnings are taxed at a maximum of 15%. Investment earnings applied to your *super account* are net of tax and certain *investment fees* and may be offset by tax credits such as franking credits.<sup>5</sup>

From 1 July 2017, the government has legislated to remove the tax exemption for the earnings derived by the *fund* on assets supporting a *TTR* income stream.

#### When you take your money out

How much tax is charged on the withdrawal of your super benefits will depend on the following factors:

- your age;
- the amount of the withdrawal;
- the type of benefit; and
- whether your benefit contains a taxable component.

For example: if you receive a lump sum benefit payment from your *account* on or after age 60, the payment will generally be tax free. However, the tax treatment of benefit payments paid in other circumstances (e.g. if you are under age 60, if you die, if you become *disabled*, etc.) may be different.

#### When you transfer your money to another super fund

Generally, if your benefit is rolled over or transferred to another complying super fund, no tax will be payable.

### The Transition To Retirement (TTR) and pension account

When you have a *TTR* or a *pension account*, there may be some tax benefits that apply to *income* withdrawn from these accounts. The tax benefits include:

- No lump sum tax on *rollovers* – when you *roll over* your super benefit into your *pension* or *TTR account*, generally no tax is payable on your benefit.
- No tax on investment earnings – investment returns on your *pension account* are tax-free while kept in your *pension account* and you may receive the benefit of franking credits.<sup>5</sup>

**Things you should know: tax may be payable on transfers from some super funds** (For example 15% *contributions tax* may be payable on an untaxed element (if any) within your benefit rolled over from another complying super fund).

#### If you are under age 60

- Part of each *pension* payment may be paid to you tax-free. This "tax-free amount" represents part of the tax-free component of your *super account*.
- You may also be eligible for a 15% tax offset (rebate) on the taxable portion of *income* payments. This offset generally applies if you're aged between preservation age and 60 or are *disabled*.

<sup>5</sup> Prior to the commencement of your *TTR* or *pension* your *account* balance will be taxed as a *super account*. From 1 July 2017, the government has legislated to remove the tax exemption for the earnings derived by the *fund* on assets supporting a *TTR* income stream.

### If you are over age 60

- No tax is payable on *pension* or lump sum payments from your *pension account*, as all of your *income* payments and lump sum withdrawals are tax free.

From 1 July 2017, there will be a \$1.6m transfer balance cap on the total amount of accumulated superannuation an individual can hold in a tax-free retirement stream. Members who have greater than this amount will need to withdraw the excess (if permitted) or transfer it to an accumulation account prior to 1 July 2017.

### Tax File Numbers

When you join ING DIRECT Living Super we will ask you to provide your TFN. In order to open a Living Super account, we will need your Tax File Number. It is not an offence not to quote your Tax File Number but without it we cannot open your *account* online for you. Please call ING DIRECT on 133 464 if you would like to open your *account* over the phone.

**For more information, please refer to sections 4 and 7 of the *product guide*.**

You should read the important information about how super is taxed before making a decision. Go to the [product guide](#) and read the section 'How super is taxed'. The material relating to how super is taxed may change between the time you read this *PDS* and when you apply for or acquire this product.

## 8. Insurance in your super

An *injury* or *illness* can disrupt your lifestyle causing you to put things on hold. ING DIRECT Living Super recognises the importance of financially protecting you and your family.

The different ways to be insured through ING DIRECT Living Super are:

- Automatic Cover – When you open a *super account* you could be eligible to receive a default level of death and *total and permanent disablement (TPD)* cover, called Automatic Cover. This is a pre-approved level of cover and you won't have to undergo any *underwriting* or medical checks.
- Tailored Cover – If you want more flexibility, Tailored Cover allows you to do just that. Tailored Cover allows you to determine how your insurance cover amount or *insurance premiums* will work. You also have the flexibility to transfer insurance from another super fund under this option.
- *Income Protection* insurance – You can also apply for *Income Protection* in addition to either Automatic Cover or Tailored Cover, or on its own.

### Different Types of insurance

ING DIRECT Living Super offers death, *TPD* and *Income Protection*. These are explained below:

- Death cover including *Terminal illness* cover – provides a lump sum for your *dependants* or your legal personal representative. The *Terminal illness* cover is an advancement of the death cover, and is paid when you are diagnosed with less than 12 months to live.
- *TPD* cover – provides you a lump sum if you become *totally and permanently disabled*.
- *Income protection* insurance – provides regular monthly payments, if you become *disabled or partially disabled* as a result of *injury* or *illness*, and are temporarily unable to work.

### Automatic Cover

Automatic cover provides you with a pre-approved level of death and *TPD* cover when you open up a *super account*, subject to eligibility, up to a maximum of \$300,000. Your benefit and premium will be based on your gender, age and *occupation*.

To be eligible for death and *TPD* cover you must be aged between 15 to 64. From age 65 to 69, you will only be eligible for Death cover and *TPD* cover will not be available.

Exclusions for pre-existing conditions and high risk *occupations* apply. More information is provided Section 9 of in the *product guide*.

If eligible, cover will commence and premiums will be deducted once you have a positive balance in your *super account* within 120 days after opening the *super account*. If you do not wish to proceed with Automatic Cover, you can cancel this cover before you have a positive balance in your *super account* to ensure no premiums are deducted. You can cancel your insurance at any time by logging into your Living Super *account* at [ingdirect.com.au](http://ingdirect.com.au) and completing the online form or by calling us.

### Tailored Cover

Should you require changes to your level of death or *TPD* cover to meet your individual needs, you can apply for Tailored Cover. You can choose to apply for death and *TPD* cover as stand-alone benefits or linked benefits.

Options for Tailored Cover include Fixed Premiums, Level of Cover or Life Stage cover. More information is provided in Section 9 of the *product guide*.

With Tailored Cover, you can apply for a maximum of \$5 million *TPD* cover. No maximum amount applies for death cover.

### Income Protection Cover

*Income Protection Cover* is an income replacement benefit that can provide you with a monthly benefit if you become *disabled* or *partially disabled* as a result of *injury* or *illness*, and are temporarily unable to work.

Subject to *underwriting*, you can apply for a maximum amount of cover of 85% of your *income*, up to \$30,000 per month.

### Cost of insurance

There are costs associated with insurance cover. The *insurance premium* you pay depends on the amount of cover, type of cover and other factors such as gender, age, *occupation*, and your health declaration. Your *insurance premiums* will be deducted from your *Cash Hub* on the last day of every month or the next *business day*. The premium is calculated based on the information in your *application form*, and any additional information required by the *insurer*. The premiums for Automatic Cover for Death and *TPD* cover range from \$2.10 per month to \$79.42 per month for females and \$4.12 per month to \$123.88 per month for males. For more information on the premium rates that will apply to you, please use our Insurance Planner at [ingdirect.com.au](http://ingdirect.com.au). You should read the information in section 9 of the *product guide* about the costs of cover before deciding whether the insurance is appropriate.

You should read the important information about the costs of insurance cover, terms and conditions of insurance cover through ING DIRECT Living Super before making a decision as these may affect your entitlement to insurance cover. Go to the [product guide](#) and read the section 'Insurance in your super'. The material relating to insurance in your super may change between the time you read this *PDS* and the day when you acquire this product.

## Bring your insurance to Living Super

You may wish to apply to transfer your fully underwritten insurance cover across from another super fund. Simply log into your Living Super account at [ingdirect.com.au](http://ingdirect.com.au) and complete the online transfer of cover application form. Your insurance cover must have been previously underwritten to be eligible. You can transfer up to a maximum of \$2 million death and/or TPD cover, and up to \$20,000 per month income protection. These maximums are inclusive of any existing cover you have with ING DIRECT Living Super.

Transfer of cover is subject to eligibility requirements such as the previous cover must have fully underwritten and there are restrictions on the acceptance of certain occupation classes.

You should read the important information about transferring your insurance contained in section 9 of the [product guide](#) before cancelling your existing insurance to ensure there are no gaps in cover.

## 9. How to open an account

To open an account in ING DIRECT Living Super you can apply online by visiting our website [ingdirect.com.au](http://ingdirect.com.au), by contacting us on 133 464 between 8am – 8pm, Monday to Friday and 9am – 5pm Saturday (AEST/AEDT) or through your ING DIRECT accredited adviser.

### Cooling off period

The cooling off period is 14 days from the earlier of the date you receive confirmation from us that funds are received into your account, or the end of the fifth day that we first issue you with units or a dollar balance in your investment option(s). During the cooling off period you can have your investment repaid or transferred to another complying super product if the funds are preserved.

The amount that is repaid may be adjusted to take into account any transaction and administration costs and any increase or decrease in the value of your investment in ING DIRECT Living Super during the period of joining and cancelling your account.

### Resolving issues

At ING DIRECT Living Super we will try our best to solve your issues over the phone in a prompt manner. Please call us and let us know if you have an issue or a complaint. If it cannot be dealt with over the phone, you can send us a message via Online Banking and selecting My Messages or write to:

**ING DIRECT**  
**Reply paid 4307**  
**Sydney NSW 2001**

### Complaints Officer

Our Complaints Officer will review your complaint and work with the trustee to resolve the problem as soon as possible. If, after review or a period of 90 days has passed, we cannot assist you and you would like to take the matter further, you may contact the Superannuation Complaints Tribunal by the following means:

Phone: 1300 884 114

Address: Locked Bag 3060,  
Melbourne VIC 3001

Email: [info@sct.gov.au](mailto:info@sct.gov.au)

Website: [www.sct.gov.au](http://www.sct.gov.au)

The Tribunal is an independent body established by the Government to help account holders of super funds resolve complaints.

## Privacy

We are committed to ensuring the confidentiality and security of your information. We may provide information to service providers engaged by the trustee to assist it in the administration and operation of your ING DIRECT Living Super account. We are bound by the privacy legislation to guide us in our responsible handling of personal information. A copy of the ING DIRECT Superannuation Fund Privacy Policy is available [here](#) or at [www.ingdirect.com.au/pdf/INGD\\_Super\\_Privacy\\_Policy.pdf](http://www.ingdirect.com.au/pdf/INGD_Super_Privacy_Policy.pdf)

You should read the important information about privacy before making a decision. Go to the [product guide](#) and read the section relating to 'Privacy' in the 'Additional information' section. The material relating to privacy may change between the time when you read this PDS and the day when you acquire this product.

## At your service



### Visit

[ingdirect.com.au](http://ingdirect.com.au)



### Call

133 464  
8am – 8pm Monday to Friday  
9am – 5pm Saturday (AEST/AEDT)



### Mail

Reply paid 4307  
Sydney NSW 2001