



Super and Pension Manager Supplementary Product Disclosure Statement

Macquarie Wrap

Super and Pension Manager Supplementary Product Disclosure Statement issued by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281 (MIML). Issued 1 July 2019

This Super and Pension Manager Supplementary PDS is to be read together with the Macquarie Super and Pension Manager (RSE R1004496) Product Disclosure Statement (PDS) dated 1 July 2019, any information incorporated by reference and any other applicable supplementary PDSs.

This supplementary PDS is for a Term Allocated Pension, offered through Super and Pension Manager. References in the Super and Pension Manager PDS generally also apply to the Term Allocated Pension unless otherwise stated in this Supplementary PDS.

The application form referred to in this Supplementary PDS refers to the Term Allocated Pension application form on page 7 of this Supplementary PDS.

The Term Allocated Pension was offered until 19 September 2007. From 20 September 2007, the Term Allocated Pension is available for rollovers from existing complying pensions.

Supplementary PDS: refers to this document.

PDS: refers to the Super and Pension Manager PDS dated 1 July 2019.

MIML is not an authorised deposit-taking institution for the purposes of the *Banking Act 1959 (Cth)*, and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

Investments in Super and Pension Manager, other than any holdings in term deposits with Macquarie Bank Limited, are not deposits with or other liabilities of Macquarie Bank Limited nor of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested.

Neither Macquarie Bank Limited, Macquarie Investment Management Limited, nor any other investment managers referred to in this Supplementary PDS, nor any other member company of the Macquarie Group guarantees the performance of Super and Pension Manager or the repayment of capital from Super and Pension Manager or any particular rate of return of the investments purchased through Super and Pension Manager.

1. The following information replaces that found on page 2 of the PDS under 'Smart superannuation solutions'.

Super and Pension Manager covers your retirement planning requirements and is comprised of:

- Super Manager: an accumulation superannuation solution
- Pension Manager: offering both transition to retirement pensions and a standard account based pension, and
- Term Allocated Pension Manager: offering a term allocated pension.

2. The following information is in addition to that found in the *How does Super and Pension Manager work?* section.

Flexibility with the Term Allocated Pension

With the Term Allocated Pension, you can work with your adviser to:

- determine and change the frequency of your pension (monthly, quarterly, half yearly or yearly), and
- amend the amount of your pension within the limits set by the Government.

3. The following information is in addition to that found in the *How does Super and Pension Manager work?* section.

Investing in Pension Manager

You can generally only commence a Term Allocated Pension by rolling over unrestricted non-preserved amounts and only with amounts that are rolled over from existing complying pensions.

4. The following information is in addition to that found in the *How does Super and Pension Manager work?* section.

Features of a Term Allocated Pension

An investment in the Term Allocated Pension provides you with a regular stream of pension payments over a fixed term. Except in very limited circumstances, you will not be able to access your investment by withdrawing lump sum amounts.

Term Allocated Pensions that were originally purchased prior to 20 September 2007 receive favourable assets test treatment for some social security purposes. For these pensions, 50 per cent of the value of the Term Allocated Pension is exempt from being assessed under the assets test for the age pension and certain Veterans' Affairs benefit entitlements. Also, 100 per cent of the value of a Term Allocated Pension purchased before that date is exempt under the assets test for Federal Government assistance relating to certain aged care accommodation costs. The assets test treatment of the Term Allocated Pension is a key difference between this type of pension and Pension Manager when purchased before 20 September 2007. The favourable assets test treatment continues to apply to these Term Allocated Pensions beyond 20 September 2007 and consequently may assist your current or future ability to qualify for certain social security entitlements.

A Term Allocated Pension may only be purchased on or after 20 September 2007 in limited circumstances. Broadly, a Term Allocated Pension may be purchased only with the proceeds arising from the commutation of another term allocated pension or similar type of pension. If a Term Allocated Pension is purchased on or after 20 September 2007 favourable assets test treatment will only apply in very limited circumstances. Otherwise, the total value of a Term Allocated Pension purchased on or after that date will count as an assessable asset for social security purposes. A complying pension that was originally purchased prior to 20 September 2004 that was 100 per cent exempt from the assets test for social security purposes will lose this concessional treatment and become fully assets tested when transferred to a Term Allocated Pension.

To be able to treat the new Term Allocated Pension as being 50 per cent exempt for social security purposes, we may need additional information from the transferring fund. Examples of information required include confirmation from the trustee that the total value of assets supporting the pension are being transferred and that the original pension was 50 per cent asset test exempt.

A Term Allocated Pension generally provides less flexibility than account-based pensions through Pension Manager with respect to the level of payments you may choose to receive each year. Also, account-based pensions generally provide access to your investment by way of lump sum withdrawals.

You should consult your adviser about whether investing in a Term Allocated Pension is suitable for you and about the tax and social security treatment of a Term Allocated Pension.

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Key differences between Pension Manager and the Term Allocated Pension are summarised in the table below.

	Term Allocated Pension Manager	Pension Manager
Term	Pension payments are made over a fixed term which is set at commencement. The portfolio balance will be depleted at the end of the term.	Pension payments are made until the account is depleted (no set term).
Pension payments	Amount of pension calculated at 1 July each year. You are generally able to vary your pension by a maximum of 10% above and 10% below the standard pension amount.	Minimum payment amount calculated at 1 July each year. Maximum payment amounts calculated at 1 July each year also apply for transition to retirement pensions.
Access to benefits	No access other than pension payments.	Generally unrestricted access to benefits, excluding transition to retirement pensions.
Assets test treatment for Age Pension and certain Veterans' Affairs benefits	50% assets test exemption for pensions purchased prior to 20 September 2007. No assets test exemption applies for pensions purchased on or after 20 September 2007 except in limited circumstances.	No assets test exemption.
Assets test for assistance with accommodation costs	100% assets test exemption for pensions purchased prior to 20 September 2007. No assets test exemption applies for pensions purchased on or after 20 September 2007.	No assets test exemption.

Selecting the term (Term Allocated Pension)

When completing the application form, you need to indicate the number of years over which you would like your Term Allocated Pension to be paid (the “term”). The Government has set restrictions on the range of terms from which you can select, which are based on either your own or your spouse’s life expectancy at the date you commence your pension.

If you invest in a Term Allocated Pension on or after 20 September 2007 we require that you choose from the range of terms based on your own age or life expectancy even if you have nominated your spouse as the reversionary pensioner. You cannot choose to complete the term from an existing Term Allocation Pension that is being rolled over.

You can choose a term ranging from a minimum term based on your life expectancy¹ at the date of commencement, through to a maximum term which will be the greater of a term based on the number of years between your last birthday and when you reach age 100 or a term based on your life expectancy if you were five years younger at the date of commencement.

1 Life expectancies are rounded up to the next whole number of years. The term may be varied by up to 12 months in the last year of income, if agreed with the Trustee and subject to relevant legislation.

Available terms²

Age	Male	Female
60	23 – 40	26 – 40
61	22 – 39	26 – 39
62	21 – 38	25 – 38
63	21 – 37	24 – 37
64	20 – 36	23 – 36
65	19 – 35	22 – 35
66	18 – 34	21 – 34
67	17 – 33	20 – 33
68	17 – 32	20 – 32
69	16 – 31	19 – 31
70	15 – 30	18 – 30
71	15 – 29	17 – 29
72	14 – 28	16 – 28
73	13 – 27	16 – 27
74	12 – 26	15 – 26
75	12 – 25	14 – 25
76	11 – 24	13 – 24
77	11 – 23	13 – 23
78	10 – 22	12 – 22
79	9 – 21	11 – 21
80	9 – 20	11 – 20

2 This refers to the age at commencement of your pension. For available ranges that apply for other ages please speak to your financial adviser.

5. The following information replaces that found on page 8 of the PDS under ‘Electronic processing of rollovers’.

The Fund meets the data and e-commerce standards required to process rollovers electronically.

The USI and ABN for Super and Pension Manager, required for processing rollovers, are:

	USI	ABN
Super Manager	65508799106031	65 508 799 106
Pension Manager	65508799106032	65 508 799 106
Term Allocated Pension Manager	65508799106088	65 508 799 106

6. The following information is in addition to that found in the *How do I withdraw?* section.

Withdrawals from your Term Allocated Pension

Lump sum amounts may only be withdrawn from your Term Allocated Pension in limited circumstances including:

- to purchase another complying income stream
- to pay superannuation tax at the instruction of the ATO
- to give effect to a commutation authority issued by the ATO
- to give effect to a payment split under family law, or
- upon your death, or, where you have selected a term based on your spouse’s life expectancy (applicable only for Term Allocated Pensions that commenced before 20 September 2007), upon the death of both yourself and your reversionary pension beneficiary.

7. The following information is in addition to that found in the *How do I withdraw?* section.

Taking a pension

The Term Allocated Pension allows you to receive regular payments within prescribed limits from your portfolio for a specified term. The Term Allocated Pension may be commenced once you meet the relevant rules to access your superannuation benefit, or by rolling over an unrestricted non-preserved amount.

You may receive your pension payments monthly, quarterly, half-yearly or annually. Your adviser can amend your pension frequency online.

Pension payments will be transferred electronically to your nominated Australian financial institution account, on or around the 15th day of the month. If you invest before the first day in any calendar month, your first pension payment can generally be made on the 15th day of that month.

In the first year the payments you are required to take annually will generally be pro-rated based on the number of days between your pension commencement and the end of the financial year.

On 1 July each year, the amount of pension you receive will be recalculated, according to the term remaining. The recalculated amount will always be reset to 100% of the pension amount to be received for that year. If you want to nominate to take more or less than this amount, you must notify us each year.

8. The following information is in addition to that found in the *How do I withdraw?* section.

Pension payments

Term Allocated Pension

The standard annual pension payment paid from your Term Allocated Pension is based on the balance in your account and the remaining term of your Term Allocated Pension. This amount will vary each year. It is calculated when you commence your Term Allocated Pension and thereafter at 1 July each year.

Confirmation of the annual pension payment applicable to your Term Allocated Pension will be sent to you upon commencement and updated online each year. You may vary your annual pension payment by selecting a payment from 90 per cent (minimum) to 110 per cent (maximum) of the standard annual pension payment.

For Term Allocated Pensions purchased on or after 20 September 2007 the annual pension payment must also comply with the minimum account based pension payment as determined by the minimum payment factors outlined in the *Minimum pension payments* section of the TIB. In some cases, this might mean at some stage during the term of your Term Allocated Pension that the range of pension payments is more restrictive than the 90 per cent – 110 per cent range referred to above.