

# Superannuation for meat industry employees



## Product Disclosure Statement

1 July 2013



**MEAT INDUSTRY EMPLOYEES'  
SUPERANNUATION FUND**

This document is issued by Meat Industry Employees' Superannuation Fund Pty Ltd (ABN 58 005 793 199) (AFSL 239953) as Trustee of the Meat Industry Employees' Superannuation Fund (MIESF, the Fund) (ABN 17 317 520 544).

# Contents

1. About Meat Industry Employees' Superannuation Fund (MIESF, the Fund)
2. How super works
3. Benefits of investing with MIESF
4. Risks of super
5. How we invest your money
6. Fees and costs
7. How super is taxed
8. Insurance in your super
9. How to open an account

This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information. Each of these references is marked with a ✓ and forms part of this PDS. You can download this information from [miesf.com.au/pds.htm](http://miesf.com.au/pds.htm) or request a copy by calling the Fund. You should consider that information before making a decision about MIESF.

The information provided in the PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The information within this PDS may change from time to time. If the change is not materially adverse we will update you with any changes on our website, by telephone or mail-out. You can obtain paper copies of any updates at no charge by contacting the Fund.

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## 1. About Meat Industry Employees' Superannuation Fund (MIESF, the Fund)

MIESF is an accumulation fund, which was established over 30 years ago by the Australasian Meat Industry Employees Union. It operates Australia-wide as a multi-employer fund, providing superannuation (super) for people working in the meat industry and their spouses.

- MIESF has 4 sections and this PDS relates to the Main section, the Rollover section and the Spouse section. It does not cover the Pension section.
- MIESF is an industry fund that returns all profits to members.
- Our administration charges are very competitive (see Section 6 of this PDS for further information on our fees).
- All net earnings are for the benefit of our members and we continue to produce sound investment returns in uncertain times.
- MIESF provides death and Total and Permanent Disablement (TPD) insurance cover to all eligible members.
- When you retire you can stay with the Fund as we offer a Pension section that you can easily transfer into.
- MIESF is run by the Trustee, which is a company (Meat Industry Employees' Superannuation Fund Pty Ltd).

## 2. How super works

When you retire, it is likely that the kind of lifestyle you have in retirement will largely depend on what you do about your super now and in the future. So it is important for you to understand how your super works and what it can do for you. Your super can also provide financial support for your dependants if you die while you are a member of MIESF.

Superannuation was introduced by the Government as a partly compulsory form of investment to help you save for your retirement. The Government supports superannuation savings and therefore provides favourable tax treatment for the money invested in superannuation.

The types of contributions that MIESF will accept on your behalf are:

- Before tax contributions being
  - Compulsory Superannuation Guarantee contributions made by your Employer; and
  - Salary sacrifice contributions that you may wish to make to the Fund from your pre-tax salary;
- Voluntary member contributions, which are contributions you make to the Fund from your post tax salary;
- Government co-contributions – if you earn less than \$46,920 a year and make post tax contributions to the Fund, you may qualify for a government co-contribution.

**Please note, the Government places limits on the amount of before tax and post tax contributions you may make to a superannuation fund.** Further information on this and the taxation of super is provided in Section 7 of this PDS.

### Withdrawing benefits from the Fund

As superannuation benefits are intended to support you in your retirement, you are generally unable to access your super until you reach your preservation age (between age 55 and 60 depending on when you were born) and retire permanently from the workforce. In some circumstances you may be able to access your super under early release conditions prior to retirement. Please contact the Fund for information on these circumstances.

### Choice of fund

Choice of fund legislation allows many members to choose to direct their employer to pay their Superannuation Guarantee (SG) contributions to any complying superannuation fund. Your Employer will advise whether you are able to make such a choice.

If you become a member of the Fund and then subsequently choose to have your SG contributions paid to another fund (this is called “exercising choice”), your Employer will need to notify the Trustee of this and the date contributions were first remitted to your chosen fund.

### Transferring your account balance

If you have “exercised choice” and transferred part of your account balance to another fund, your death and TPD insurance cover may cease (please see Section 8 of this PDS).

If you choose to have your SG contributions paid to another fund and you do not transfer part of your account balance out of the Fund; as long as you are under age 55, you will continue to receive death and TPD insurance cover in MIESF. Once you are aged 55 or over, your death and TPD insurance cover ceases three years after the last contribution from your participating employer is received. Death and TPD insurance cover ceases at age 65 regardless of your working status and the date of the last employer contribution made on your behalf. For further information on death and TPD insurance cover in MIESF please see Section 8 of this PDS.

You will have to contact the Fund to arrange for your account balance to be transferred to another fund.

### Privacy

Superannuation funds are subject to privacy laws and MIESF has a Privacy Policy.

For more general information about super and how it can benefit you to make additional contributions, and other calculators that may help you make decisions in relation to your superannuation, please visit [www.moneysmart.gov.au/superannuation-and-retirement](http://www.moneysmart.gov.au/superannuation-and-retirement).

√You should read the important information about how super works including privacy before making a decision. Go to [miesf.com.au/pds.htm](http://miesf.com.au/pds.htm) and read Section 2 in MIESF’s “Additional Member Information Booklet”. The material relating to how super works may change between the time when you read this PDS and the day when you acquire this product.

### 3. Benefits of investing with MIESF

Every member has a MIESF account. Your super benefits growth is linked to the amount of contributions made to this account, the deductions from it, and the investment earnings in the relevant investment option(s). The larger the contributions and the higher the investment return, the faster your account will grow.

#### Features & benefits

MIESF is a simple, low cost superannuation fund that offers the following features and benefits:

- Contributions are accepted from your Employer on your behalf;
- You can make additional voluntary contributions on a pre-tax or after-tax basis;
- You can also make contributions into MIESF on behalf of your spouse if your spouse joins the Fund's Spouse section;
- The ability to roll over any superannuation benefit received from another superannuation plan;
- Lump sum benefits can be paid on retirement, resignation or retrenchment (subject to preservation requirements under Superannuation Law);
- Death and Total and Permanent Disablement (TPD) insurance cover is provided subject to some restrictions (please refer to Section 8 of this PDS for more information);
- Our Pension section means that you can continue with the Fund even after you retire;
- If you leave the industry, your new Employer can make contributions to MIESF;
- MIESF does not accept contributions made on a pre-tax basis from self employed members;
- MIESF provides a long-term superannuation vehicle. You don't have to leave MIESF when you change or leave an Employer. You can:
  - Leave your benefit in the Fund indefinitely (subject to Superannuation Law);
  - Invest your super in MIESF's Rollover section; or
  - Receive a pension when you retire.

The Rollover section has the same features as the Main section except it does not provide any death and TPD insurance cover.

#### Spouse section

As a member of MIESF you can make contributions on behalf of your spouse to MIESF's Spouse section. These are included in your spouse's \$150,000 limit for non-concessional contributions and they can only be made on an after-tax basis, i.e. from after-tax earnings. Spouse, for this purpose, includes

- A person with whom you are living in a genuine domestic relationship as a couple; or
- A person in a registered relationship under State or Territory law.

To become a Spouse section member simply complete the Spouse Application Form which is available from the Fund.

You may be able to claim a rebate for superannuation contributions made on behalf of a low-earning or non-working spouse. Eligibility for the rebate is dependent on your **spouse's assessable income**, with a maximum rebate of \$540 applying for assessable incomes up to \$10,800 p.a. For income in excess of \$10,800 p.a, the rebate gradually phases out to nil at assessable incomes of \$13,800 p.a. The maximum eligible contribution for the rebate is limited to \$3,000.

The Spouse section does not provide any death and TPD insurance cover. The deductions from a spouse account are the weekly administration fee of \$1.30 and the \$35 withdrawal fee.

Spouse section members cannot make contributions to the Fund or make an investment choice.

√ You should read the important information about making contributions to the Fund and treatment of small account balances and unclaimed moneys before making a decision. Go to [miesf.com.au/pds.htm](http://miesf.com.au/pds.htm) and read Section 3 in MIESF's "Additional Member Information Booklet". The material may change between the time when you read this PDS and the day when you acquire this product.

### 4. Risks of super

All investments, including superannuation, carry a certain level of risk. Generally, those investments with a higher investment return over the long term have a greater level of investment risk over the short term. Conversely, those investments with a lower risk over the short term usually have a lower return over the long term.

When investing in the Fund you should consider the following general risks:

- The value of your investment in the Fund will vary over the period of your membership;
- The level of returns and risks in the two investment options will vary depending on the assets that make up the options and past returns are not necessarily an indicator of future returns;
- The Fund's investment objectives are not a forecast or guarantee of future performance;
- A positive investment return cannot be guaranteed and you may lose some of your money;
- Superannuation laws may change in the future, affecting the tax treatment and how and when you can take your super;
- The amount of your superannuation savings may not adequately provide for your retirement;
- The level of risk that you are comfortable with will vary based on your age, your investment time frame, other investments you may have and your own tolerance for risk.

√ You should read the important information about the risks of super before making a decision. Go to [miesf.com.au/pds.htm](http://miesf.com.au/pds.htm) and read Section 4 in MIESF's "Additional Member Information Booklet". The material relating to the risks of super may change between the time when you read this PDS and the day when you acquire this product.

## 5. How we invest your money

MIESF offers two investment options and each of these options has a different level of risk and potential return.

When you join the Fund if you don't make an investment choice, your account balance will be invested in the Trustee Option. **You should consider the likely investment return, level of risk and your investment timeframe when choosing an investment option.**

The Trustee may change the investment options by altering the objectives, asset allocation or the available options.

	Trustee Option			High Growth Option		
<b>Investment Objectives</b>	<ul style="list-style-type: none"> <li>Avoid a loss; that is to be in a position to declare a positive rate of return for each year ending 30 June; and</li> <li>Beat inflation; that is to achieve a rate of return which exceeds the rate of inflation (as measured by the CPI) by at least 2% per annum, after allowance has been made for tax and investment costs over rolling ten year periods measured at each 30 June.</li> </ul>			<ul style="list-style-type: none"> <li>To provide capital growth over rolling seven-year periods measured at each 30 June; and</li> <li>To achieve a total return, after allowance has been made for tax and investment costs that is greater than the median (middle ranking) return of "growth" investment options in the SelectingSuper survey, over rolling five-year periods measured at each 30 June (selectingsuper.com.au).</li> </ul>		
<b>Asset Classes</b> (showing the benchmark and allowable range allocations)		Benchmark %	Range %		Benchmark %	Range %
	Australian shares	15	10 - 40	Australian shares	44	42 - 46
	International Shares	10	0 - 25	International Shares	36	32 - 40
	Private Equity	5	0 - 10	Property	10	9 - 11
	Property	25	10 - 50	<b>Growth Assets</b>	<b>90</b>	<b>88 - 92</b>
	<b>Growth Assets</b>	<b>55</b>	<b>25 - 75</b>	Fixed Interest - Aust.	4	3 - 5
	Fixed Interest	30	10 - 50	Fixed Interest - Int.	6	5 - 7
	Infrastructure	5	0 - 15	Cash	0	0 - 1
	Cash	10	5 - 60	<b>Debt Assets</b>	<b>10</b>	<b>8 - 12</b>
	<b>Debt Assets</b>	<b>45</b>	<b>25 - 75</b>			
<b>Description of Option</b>	<p>The aim of this Option is to ensure the security of your retirement money and to provide a reasonable rate of return above bank rates of interest over the medium and long-term without taking undue financial risk.</p> <p>This option is intended to be suitable for members who have a strong need to achieve a positive earning rate each year.</p>			<p>This Option provides members with an exposure to Australian and International Shares and Listed Property Shares of around 90%.</p> <p>It is designed to deliver higher long term returns to members, but is likely to experience significantly higher volatility than the Trustee Option.</p> <p>This option is intended to be the suitable for members who can tolerate a higher degree of risk.</p>		
<b>Investment Time Frame</b>	At least 3 years.			At least 5 to 7 years.		
<b>Risk Label</b>	Medium Risk			High Risk		
<b>Risk Band</b>	4			6		

There is an industry wide "Standard Risk Measure" which measures the estimated number of negative annual returns over any 20 year period. This is 2.0 for the Trustee Option and 4.6 for the High Growth Option.

The Standard Risk Measure covers seven Risk Bands/Risk Labels; from 1 (very low risk) to 7 (very high risk).

√You should read the important information about how we invest your money (including investment switches and the allocation of investment returns) before making a decision. Go to [miesf.com.au/pds.htm](https://miesf.com.au/pds.htm) and read Section 5 in MIESF's "Additional Member Information Booklet". The material relating to investments may change between the time when you read this PDS and the day when you acquire this product.

## 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 fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website: [www.moneysmart.gov.au](http://www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

### Fees and other costs for the Trustee Option and the High Growth Option

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

Taxes and death and TPD insurance cover costs are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment. The information can be used to compare our fees with similar funds.

Type Of Fee Or Cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	\$35
Termination fee	Nil
<b>Management Costs</b>	
Administration fee	\$1.30 per week (\$67.60 per annum) is deducted from your account balance
The fees and costs for managing your investment	0.48%* p.a. (for the Trustee Option) or 0.37% p.a. (for the High Growth Option) of your account balance comes out the Fund's earnings before determining the earnings rates.

\*The percentage is an estimate based on the average net assets of the Fund for the Trustee Option for the year ending 30 June 2012 and reflects costs for the 2011/12 financial year. It may change from year to year. These costs include investment management fees paid to external investment managers, the Fund's custodian and investment advisers. These costs reduce the return that would otherwise have been allocated to your account. The investment management fees paid to a manager may include performance fees when the investment return exceeds an agreed benchmark. For the year ending 30 June 2012 these performance fees amounted to 0.01% out of the 0.48% shown above. These costs also include 0.02% for the costs of protecting members with small account balances that were not able to be met from the \$52 p.a. paid by members with balances more than \$1,000 during 2011/12.

### Example of annual fees and costs for the Trustee Option investment option

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

EXAMPLE - Meat Industry Employees' Superannuation Fund Trustee Option		Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution Fees	0%	For every \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management Costs	0.48% of your account balance + \$67.60 (per annum)	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$240 each year plus \$67.60 in administration fees regardless of your balance.
<b>EQUALS</b> Cost of Fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of <b>\$307.60</b> . What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial advisor. (This statement is required by law - MIESF's fees are not negotiable).

The Trustee has the right to increase fees at any time without requiring your consent. You will receive 30 days notice before any increase in fees takes effect.

√You should read the important information about fees and costs before making a decision. Go to [miesf.com.au/pds.htm](http://miesf.com.au/pds.htm) and read section 6 in MIESF's "Additional Member Information Booklet". The material relating to our fees and costs may change between the time when you read this PDS and the day when you acquire this product.

## 7. How super is taxed

This section gives a brief summary of how superannuation is currently taxed.

### Employer and Salary Sacrifice Contributions (Concessional Contributions)

Employer contributions (including salary sacrifice contributions) are known as concessional contributions. Concessional contributions are usually taxed at 15% when paid into the Fund and are limited to \$25,000 per person per annum. From 1 July 2013 the limit is \$35,000 if you are 60 years old or over.

From 1 July 2013 concessional contributions in excess of the limit can be transferred back to the member as taxable income.

### Voluntary Member Contributions (Non-Concessional Contributions)

Voluntary member contributions are known as non-concessional contributions. No tax is applied to these amounts at the time that they are contributed to the Fund (provided that they are within a cap of \$150,000 per year). If you are under age 65, you will be able to bring forward contributions for the next two years and make a contribution of up to \$450,000 in one year. However, if you do this, you will then be unable to make further non-concessional contributions for the next two years. Contributions in excess of the cap will be taxed at 46.5%.

### Tax on Investment Earnings

The Fund's investment earnings are taxed at up to 15% and this is deducted before the earnings rates for members are declared and applied to your account.

### Tax on Withdrawals from the Fund For members 60 years of age or over

Benefits will be paid tax free (where the benefit has already been subject to tax within the fund, as is the case with the Fund).

### For members under 60 years of age

Your benefit may be made up of two components. The **tax-free component** is, as its name implies, tax free.

For members under their preservation age, the **taxable component** is taxed at 20% plus the Medicare Levy.

If you are between your preservation age and 59, the taxable component is tax-free up to the tax-free threshold amount, which for the 2013/2014 financial year is \$180,000. Any element of the taxable component in excess of this is taxed at 15% plus the Medicare Levy.

### Tax File Number

You should provide your Tax File Number (TFN) to the Trustee.

You do not have to provide your TFN however if you choose not to provide it:

- Your concessional contributions and some benefits will be subject to extra tax; and
- We will not be able to accept voluntary member contributions from you.

You should read the important information about how super is taxed before making a decision. Go to [miesf.com.au/pds.htm](http://miesf.com.au/pds.htm) and read Section 7 in MIESF's "Additional Member Information Booklet." The material relating to how super is taxed may change between the time you read this PDS and the day when you acquire this product.

## 8. Insurance in your super

MIESF provides death and Total and Permanent Disablement (TPD) insurance cover to all eligible members. The death cover insurance will also be payable on Terminal Illness which effectively means that the payment is made "early" prior to the date of death.

The insurance cover provided is subject to the terms and conditions contained in a group insurance policy taken out by the Trustee with TAL Life Limited (ABN 70 050 109 450 AFSL 237848).

### How much death and TPD insurance cover is provided?

Death cover is generally \$200,000 for ages at death 15 to 64, however, it is restricted to \$100,000 in some limited circumstances. The table below shows the TPD cover:

Age at Date of Disablement	TPD Cover \$
15-38	200,000
39	150,000
40	110,000
41	80,000
42	55,000
43	30,000
44-49	20,000
50-54	10,000
55-59	5,000
60-64	2,500

### Eligibility conditions and exclusions

The insurance cover provided within the Fund is subject to important eligibility conditions and cover restrictions, which is explained in MIESF's Insurance Booklet.

The Insurance Booklet has the following sections:

1. Overview
2. What is the cost of the insurance cover?
3. Are you eligible for insurance cover?
4. When does your cover commence?
5. When does your Death & TPD insurance cover end?
6. How do the Death and TPD benefits interact?
7. What are the cover restrictions?
8. What is not covered by Death and TPD insurance?
9. Cover whilst on leave without pay (parental and other leave)
10. What happens if you are overseas?
11. Who gets your Death benefit?
12. "Anti-detriment payment"
13. Payment of your TPD benefit
14. Key definitions

The insurance cover ceases for several reasons including:

- If MIESF has not received contributions from a participating employer on your behalf in the past three years and you are aged 55 or over; or
- If you make partial cash withdrawals from your account balance or rollovers to another superannuation fund which amount to more than \$20,000 in any financial year after 30 June 2013.

Please note that there is no provision to offer you the option of continuing your insurance cover with the Trustee's Insurer once you leave the Fund.

Please note that we will **not notify** you prior to your death and TPD insurance cover ceasing.

You should therefore make sure that you are familiar with the situations when your death and TPD cover will cease. If you are in any doubt, please contact us to determine whether you have death and TPD cover at any particular time.

### What is the cost of the insurance cover?

The net of tax cost of this insurance cover to eligible members is \$5.60 per week.

The Fund's insurance cover is designed to give financial assistance to you or your dependants in the event of your permanent disablement or death. The Trustee does not believe that the cost of this cover inappropriately erodes members' retirement benefits.

Members may choose to opt out of death and TPD cover altogether; however, a member cannot opt out of one, but not the other. Once a member opts out of cover, the member will become ineligible for cover at any time. If you wish to opt out please contact our office as detailed on page 2 of this PDS.

Members of the Fund at 1 July 2013 should also refer to the Significant Event Notice - 27 May 2013 which can also be seen at [miesf.com.au/pds.htm](http://miesf.com.au/pds.htm).

√ You should read the important information about insurance in your super before making a decision. Go to [miesf.com.au/pds.htm](http://miesf.com.au/pds.htm) and read MIESF's "Insurance Booklet". The material relating to the Fund's insurance may change between the time when you read this PDS and the day when you acquire this product.

## 9. How to open an account

### Joining is easy!

In most cases, membership begins when your participating Employer sends contributions on your behalf. You should also complete the Membership Application & Nomination of Dependants form and return it to either your Employer or MIESF.

If you want to transfer other superannuation accounts to MIESF, you should also complete the Superannuation Transfer Authority form. We will then arrange the transfer on your behalf.

### What happens next?

Once we receive contributions from your Employer, and your application has been processed, you will receive a Membership Card which has your member number on it. This should happen within a few weeks of you returning your Membership Application & Nomination of Dependants form. Keep your Membership Card in a safe place so you can quote your member number any time you contact our office.

Also included with your Membership Card is MIESF's latest Annual Report. It details (as at the date of the Annual Report) such things as MIESF's investments, and how they have been performing, who the current directors are, and any changes to the Fund and superannuation which you should know about.

If you have not received your Membership Card or Annual Report, or you require a Membership Application form, please contact our office as detailed on page 2 of this PDS.

In order for us to send you information about the Fund please tell us when you change address.

It is important that you read this Product Disclosure Statement before making a decision to join MIESF.

### You can make enquiries or complain

To make a complaint about some aspect of your membership or benefits, please write to The Complaints Officer at our office as detailed on page 2 of this PDS.

√ You should read the important information about your enquiries and complaints before making a decision. Go to [miesf.com.au/pds.htm](http://miesf.com.au/pds.htm) and read Section 9 in MIESF's "Additional Member Information Booklet". The material relating to enquiries and complaints may change between the time when you read this PDS and the day when you acquire this product.