



Prime Super

MySuper Policy

Prime Super Pty Limited

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Authorised By	Board Processes

1 Glossary

accrued default amount	Has the meaning given under section 20B of SIS.
choice product	A class of beneficial interest in a regulated superannuation fund that is not a MySuper product. ¹
Director	A director of Prime Super Pty Ltd
Fund	Prime Super
Member	A member of the Fund.
MySuper Member	A Member that is invested in the MySuper option.
MySuper option	The investment option offered by Prime Super as its MySuper product, subject to authorisation by APRA.
MySuper product	A class of beneficial interest in a regulated superannuation fund that an RSE licensee is authorised under section 29T of SIS to offer as a MySuper product. ²
SIS	<i>Superannuation Industry (Supervision) Act 1993</i> (Cth) and Regulations.
Trust Deed	The Trust Deed of Prime Super originally dated 16 November 1993 as amended from time to time.
Trustee	Prime Super Pty Ltd.

2 About This Policy

This policy supplements the Trust Deed and sets out the rules governing interests held by Members in the MySuper option. This includes interests held by MySuper Members that arise as a result of one of the following:

- (i) A Member's total account balance that was invested in the Fund's Default option as at 30 June 2013. Accordingly, the Member's interest was an

¹ Refer to the definition of "choice product" under section 10(1) of SIS.

² Refer to the definition of "MySuper product" under section 10(1) of SIS.

- “accrued default amount” that the Trustee subsequently transferred to the MySuper option; and
- (ii) A Member joins the Fund on or after 1 July 2013 and does not give the Trustee a direction on the investment option under which the assets of the Fund attributed to the Member’s interest is to be invested and, accordingly, the Member is placed in the MySuper option by default.

Unless defined in the Glossary, the defined terms used in this policy have the same meaning as in the Trust Deed.

3 Effect of This Policy

Prime Super Pty Ltd is responsible for the efficient and prudent management of the Fund of which it is Trustee.

4 MySuper investment option established under the Trust Deed

Section 12.6 of the Trust Deed allows the Trustee to adopt and offer to Members the choice of investing in different investment options, including a range of pre-mixed asset class options and individual asset class options.

Up to 30 June 2013 the Trustee offered the Default investment option to which the following members were allocated:

1. Members who directed the Trustee to invest the assets of the Fund attributed to the Member’s interest in the Default option; and
2. Members who did not give the Trustee a direction on the investment option under which the assets of the Fund attributed to the Member’s interest was to be invested.

From 1 July 2013, the MySuper product is the new default offering. The following members are placed into the MySuper option:

1. All accrued default amounts, which consisted of all Members that had their total account balance in the Default investment option as at 30 June 2013; and
2. Members joining the Fund from 1 July 2013 who do not give the Trustee a direction on the investment option in which to invest their contribution.

By virtue of the Trust Deed, this policy sets out the terms which are applicable to the MySuper product and any Member invested in the MySuper option of the Fund.

5 Part 2C of SIS

The rules under Part 2C of SIS shall apply, at all times, in respect of the Fund's MySuper option in addition to the terms specified under this Policy.

If there is any inconsistency between Part 2C of SIS and the terms under this Policy, Part 2C of SIS (or equivalent legislation) shall take precedence and will apply to the MySuper option.

6 Characteristics of MySuper

Section 29TC of SIS prescribes the rules that apply to a MySuper product.

In accordance with this section, the following rules shall apply to the Fund's MySuper option from 1 July 2013:³

- (a) A single diversified investment strategy is to be adopted in relation to assets of the Fund, to the extent that they are attributed to the MySuper option.
- (b) All MySuper Members are entitled to access the same options, benefits and facilities except to the extent that a benefit is provided by taking out risk insurance.
- (c) Amounts are attributed to MySuper Members in a way that does not stream gains or losses that relate to any assets of the Fund to only some MySuper Members, except to the extent permitted under a lifecycle exception under Section 7 of this Policy.
- (d) The same process is to be adopted in attributing amounts to MySuper Members, except to the extent that a different process is necessary to allow for fee subsidisation by employers.
- (e) If fee subsidisation by employers is permitted, that subsidisation does not favour one MySuper Member that is an employee of a subsidising employer over another MySuper Member who is an employee of that employer.
- (f) The only limitations imposed on the source or kind of contributions made by or on behalf of MySuper Members are those permitted under Section 8 of this Policy.
- (g) A beneficial interest of the MySuper option cannot be replaced with a beneficial interest of another class in the Fund unless:

³ Refer to section 29TC(1) of SIS.

- (i) the MySuper Member consents in writing to that replacement no more than 30 days before it occurs; or
 - (ii) the MySuper Member has died and the interest is replaced with a beneficial interest of another [class](#) in the [Fund](#) of a kind, and in the circumstances, prescribed by the regulations.
- (h) A beneficial interest of the MySuper option (the ***old interest***) cannot be replaced with a beneficial interest (the ***new interest***) in another superannuation entity unless:⁴
 - (i) the replacement is permitted, or is required, under a law of the Commonwealth; or
 - (ii) the person who holds the old interest consents in writing to the replacement with the new interest no more than 30 days before it occurs.
- (i) To the extent that assets of the Fund are attributed to the MySuper option, a pension is not payable out of those assets by the Trustee on the satisfaction of a condition of release of benefits specified in a standard made under paragraph 31(2)(h) of SIS by a MySuper Member, unless the payment is derived from a benefit of the kind mention in subparagraph 62(1)(b)(ii) of SIS (ie. benefits payable when a person ceases work due to ill-health) provided to the Fund by an insurer.⁵

7 Lifecycle exception

A “***lifecycle exception***” is a rule under the governing rules of the Fund that allows gains and losses from different classes of asset of the Fund to be streamed to different subclasses of the MySuper Members:⁶

- (a) on the basis, and only on the basis, of the age of those members; or
- (b) on the basis of the age of those members and other prescribed factors; or
- (c) on the basis of the age of those members and other prescribed factors in prescribed circumstances.

As at the date of this policy, the Trustee has not made any provision for a lifecycle exception.

⁴ Refer to section 29TC(1)(h) of SIS.

⁵ Refer to section 29TC(1)(i) of SIS.

⁶ Refer to section 29TC(2) of SIS.

However, the Trustee may incorporate a lifecycle exception into this policy at any point in time provided it is not restricted from doing so under the Law.

8 Source of contributions

A limitation on the source or kind of contributions made by or on behalf of MySuper Members is permitted for the purposes of paragraph 6(f) of this Policy if:⁷

- (a) the limitation is of a kind prescribed under SIS; or
- (b) the limitation is imposed by or under the general law or another law of the Commonwealth.

9 Fees and charging rules

The Trustee may only charge a fee for the MySuper Product:

- (a) if the fee is of a kind permitted under SIS;⁸ and
- (b) the fee is charged in a manner that is consistent with the charging rules prescribed under SIS⁹.

10 Minimum Standards

Any minimum standards that are applicable to a MySuper Product under the Law shall apply to the MySuper option.

11 Other provisions of the Law

All relevant provisions prescribed by the Law with which the Fund or the Trustee must comply in respect of a MySuper Product shall apply to the MySuper option.

The Trustee may incorporate anything into this policy which it is permitted to do or not restricted from doing under the Law.

⁷ Refer to section 29TC(3) of SIS.

⁸ Refer to section 29V of SIS.

⁹ Refer to section 29VA of SIS.