



Your move to  
MLC MasterKey  
Business Super

**Reference guide**

Our role as the Trustee of your super fund is to look after members' interests, and after careful consideration we've decided to close The Employee Retirement Plan and move your account to MLC MasterKey Business Super (Business Super).

As Personal Super is the personal division of Business Super, any reference to Business Super in this guide also applies to Personal Super unless specifically stated.

The information in this guide updates the Product Disclosure Statement for The Employee Retirement Plan. It is general and doesn't take into account your personal financial situation or needs. We recommend you obtain financial advice for your personal circumstances. References to 'the Trustee', 'we' and 'us' throughout this guide are references to MLC Nominees Pty Limited.

Preparation date: 5 February 2013

## Why we're moving you to Business Super

We're committed to providing you with the best possible service and believe the move to Business Super will benefit you.

As a result of the move, you'll have:

- an improved insurance offer
- more investment choice
- a simple and transparent fee structure
- an easy to use website, and
- access to MLC Member Rewards, with offers on a variety of lifestyle and NAB banking products.

This guide will help you understand the differences between your current super and your new super account. You'll continue to be a member of The Universal Super Scheme, and we'll remain the Trustee of your super.

**For more information about the move go to [mlc.com.au/TERP](http://mlc.com.au/TERP)**



## When will the move happen?

The move is planned to happen on 24 May 2013. Your account will automatically move so you don't need to do anything.

### Important dates

Event	Date
Last date we can receive a transaction request in The Employee Retirement Plan	17 May 2013
Your current account closes	24 May 2013
Your new account opens	24 May 2013
Transactions can be processed in your new account	After 10 June 2013
You'll receive your Final Statement for your current account	June 2013
You'll receive your Welcome Kit for your new account	August 2013

We'll apply any earnings due and deduct any fees and premiums on your account before the move. After the move the new Business Super fees and premiums will apply.

# Managing your investments

## Your investments won't change

Your investments will be invested in the same investment option however the name will be changed as shown in the table.

Current investment option	New investment option
Investment Facility	MLC Horizon 4 Balanced Portfolio
Benefit Protection System	MLC Cash Fund

Your final account balance in The Employee Retirement Plan will be transferred to Business Super.

After the move, your account balance will be valued differently from the way it's valued now. Currently, we calculate and declare an earning rate (being investment earnings less management fees, expenses and tax) and apply that rate to your account annually or when you leave.

After the move, you'll be allocated units and the value of your account will be based on the price of these units. The unit price varies daily and reflects the performance of the underlying assets, income earned, Investment fees, expenses and taxes paid and payable. When money is paid into your account, units will be allocated to your account and when money is paid out, units will be deducted from your account.

Business Super offers a comprehensive range of investment options, with over 40 investment options to choose from.

You can find out more about these investment options by going to [mlc.com.au/TERP](http://mlc.com.au/TERP)



## Fairer allocation of transaction costs

Currently, all members of the Investment Facility share transaction costs, even if they don't make any transactions. These costs, which include brokerage and Government charges, reduce the earning rate.

After the move, unit prices include an allowance for transaction costs. You'll pay an 'entry price' when you buy units and receive an 'exit price' when you sell units in an investment option. The entry price is the unit price plus a transaction cost allowance, and the exit price is the unit price less a transaction cost allowance. When we quote the value of your investment we use the exit price.

This means that after the move you'll only pay the costs for the transactions you make and the performance of your investment options won't be reduced by the impact of other members' transaction costs.

No transaction costs will apply when your investment is moved.

The example below compares the methods for allocating transaction costs before and after the move if you were to make a contribution of \$100.

	Before the move	After the move
	<b>Investment Facility</b>	<b>MLC Horizon 4 Balanced Portfolio</b>
<b>Transaction cost allowance</b>	No specific allowance for this, but the earning rate for all Investment Facility members will be reduced by the impact of these costs.	Specific allowance included in the unit price, of; <ul style="list-style-type: none"> <li>• 0.10% in the entry price and</li> <li>• 0.10% in the exit price.</li> </ul> Ongoing investment performance is not reduced by these costs.
<b>Value of your \$100 contribution using the exit price</b>	\$100	\$99.80

There are no transaction costs in the Benefit Protection System or the MLC Cash Fund.

# Your insurance

We believe all members should be able to protect their future. And we know that everybody's needs are different. With your new account, you can create an insurance solution to suit you and your family's needs.

Your current account provides Death and Total and Permanent Disablement (TPD) insurance that helps protect you and your family by providing a lump sum should you die or become disabled. It costs \$2 per week.

Your 'We're moving your super account' letter, which accompanies this guide, confirms whether you're moving to Business Super or Personal Super and shows you the insurance you'll have in your new account, and the premium you'll pay. More details on the insurance is below.

If you've just joined The Employee Retirement Plan, this guide forms part of your Welcome kit and you won't receive the 'We're moving your super account' letter. All the information you need about the move is in this guide. You'll be moved to Business Super and provided with the new Lifestage insurance. The following sections don't apply to you:

- \$2 per week insurance on page 7
- How to change your Business Super insurance on page 7
- How to change your Personal Super insurance on page 8

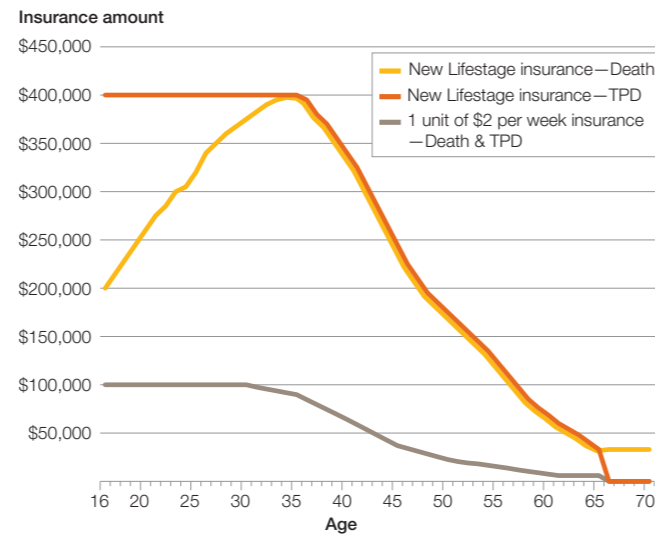
## Insurance in Business Super

In your new account you'll be provided with either the new Lifestage insurance or \$2 per week insurance.

### New Lifestage insurance

This insurance is designed to cater to your needs through different life stages. Death insurance will increase when you're most likely to have a higher mortgage or you have children at home. TPD Insurance will be higher if you're younger to help cover costs should you become totally and permanently disabled at an early age. The graph below shows you how this works.

### New Lifestage insurance scale vs \$2 per week insurance scale



### How to change your Business Super insurance

If you don't like the insurance we've chosen for you, you can change it as explained in the accompanying letter. You can choose the new **Lifestage insurance** or the **\$2 per week insurance** but you'll need to let us know by 17 May 2013. To do this please complete the form available at [mlc.com.au/TERP](http://mlc.com.au/TERP), or call us.

In addition, after the move you can apply to vary your insurance or cancel it at any time.

### If you leave your employer

If we're notified that you've left your employer your account will be moved to Personal Super. If we're notified before the move your insurance in Personal Super will be fixed at the amount you would have received in Business Super. If we're notified after the move your insurance will be fixed at the amount of insurance you have at the time. For more information on insurance in Personal Super please refer to page 8.

### With the new Lifestage insurance

- you'll have significantly higher insurance than you currently have
- you'll have high TPD insurance when you're younger, and
- your Death and TPD insurance will decrease as you get older.

The new Lifestage insurance scale will increase at 1 July each year, commencing 2014, in line with increases in Average Weekly Ordinary Time Earnings. Your Annual statement will show you the amount of your insurance.

Your Death insurance will continue to age 70 and your TPD insurance will cease at age 65.

Generally, your new premium will be higher than you're currently paying. It's based on the amount of insurance you have, your age, gender and occupation.

For more information about how your premium is calculated please go to [mlc.com.au](http://mlc.com.au)

### \$2 per week insurance

Your insurance will be automatically increased by 2.5% after the move with no change in premium, and will cease at age 65. Your cover will reduce as you get older and your premium won't change. If you have more than one unit of insurance you'll keep the same number of units after the move.

With Business Super you can create an insurance solution to suit you and your family's needs.

You can increase your Death and TPD insurance or apply for Income Protection insurance.

For more information please go to the [mlc.com.au/TERP](http://mlc.com.au/TERP)

## Your insurance

### Insurance in Personal Super

If you're moving to Personal Super, the amount of your insurance will change to a fixed amount. This means the insurance you have in Personal Super won't be adjusted in the future.

The premiums you pay for your insurance will change (increase or decrease) on each birthday and if you change your occupation. If you're over 60 years of age your TPD insurance will reduce by 20% each year from age 61 and ends at age 65.

### How to change your Personal Super insurance

If you don't like the insurance we've chosen for you, you can change it as explained in the accompanying letter. You'll need to let us know by 17 May 2013. To do this please complete the form available at [mlc.com.au/TERP](http://mlc.com.au/TERP), or call us.

In addition, after the move you can apply to vary your insurance or cancel it at any time.

### Other benefits of the move

After the move there will be many other benefits available to you, including receiving a tax credit back to your account each time your premium is paid. This tax credit effectively reduces the premium by up to 15%. You can find out more about these benefits at [mlc.com.au/TERP](http://mlc.com.au/TERP)

If you're in a clerical or professional occupation you may be able to reduce your premium. To do this please call us after the move. For more information about how we classify occupations please go to [mlc.com.au](http://mlc.com.au)

### Terms of your insurance

The terms of your insurance after the move are summarised in this guide, and in the Business Super Insurance Guide on [mlc.com.au/pds/mkbs](http://mlc.com.au/pds/mkbs)

National FlexiSuper members insured as at 31 December 2001 will retain their own or similar occupation definition that applies to their TPD insurance.

The Activities of Daily Living portion of the Total and Permanent Disablement definition will continue to apply in your new account.

**You can apply to increase or cancel your insurance, or add Income Protection insurance at any time after the move, but you may need to provide medical information to support your application.**



# Fees you pay

The fee structure in your account will be different after the move. You'll be able to see clearly what you pay as an Administration fee, your Investment fees and what is paid to your adviser.

These fees are different from those you're currently paying. How this affects you will depend on your account balance and the investment options you hold.

The following table compares the fees and costs. All fees shown are inclusive of GST and before allowing for the tax benefits which are referred to below.

We'll deduct any fees owing in your existing account prior to the move. Your new fees will be calculated in your new account.

Type of fee or cost	Before the move	After the move										
<b>Management costs</b>												
<b>The fees and costs for managing your investment</b>	<b>Management fee:</b> <ul style="list-style-type: none"> <li>Investment Facility: 1.74% pa of the daily balance</li> <li>Benefit Protection System: 1.52% pa</li> </ul>	<b>Administration fee</b> The Administration fee has two parts: <ul style="list-style-type: none"> <li>a fee charged as a percentage of your account balance</li> </ul> <b>plus</b> <ul style="list-style-type: none"> <li>a fixed \$ per week fee if your account balance is below \$50,000 when the fee is deducted.</li> </ul> This fee is deducted monthly from your account. The maximum Administration fee you'll pay is \$3,500 pa.										
	<b>Account keeping fee</b> \$6.29 per month (\$4.89 per month for members who joined an Ex National FlexiSuper plan prior to 1 July 2005).	<b>If you're moving to Business Super:</b> The Administration fee will be 0.71% pa of your account balance <b>plus</b> a fixed fee of \$1.50 per week  If, after the move to Business Super, your employer lets us know you've left their employment, your account will transfer to Personal Super and the Administration fee will be: <table border="1"> <thead> <tr> <th>Account Balance</th> <th>Percentage fee (%pa)</th> </tr> </thead> <tbody> <tr> <td>First \$49,999</td> <td>1.05%</td> </tr> <tr> <td>Next \$50,000</td> <td>0.65%</td> </tr> <tr> <td>Next \$100,000</td> <td>0.40%</td> </tr> <tr> <td>Remaining balance over \$199,999</td> <td>0.25%</td> </tr> </tbody> </table> <b>plus</b> a fixed fee of \$2 per week.	Account Balance	Percentage fee (%pa)	First \$49,999	1.05%	Next \$50,000	0.65%	Next \$100,000	0.40%	Remaining balance over \$199,999	0.25%
Account Balance	Percentage fee (%pa)											
First \$49,999	1.05%											
Next \$50,000	0.65%											
Next \$100,000	0.40%											
Remaining balance over \$199,999	0.25%											
		<b>If you're moving to Personal Super:</b> The Administration fee will be: <table border="1"> <thead> <tr> <th>Account Balance</th> <th>Percentage fee (%pa)</th> </tr> </thead> <tbody> <tr> <td>First \$49,999</td> <td>0.71%</td> </tr> <tr> <td>Next \$50,000</td> <td>0.65%</td> </tr> <tr> <td>Next \$100,000</td> <td>0.40%</td> </tr> <tr> <td>Remaining balance over \$199,999</td> <td>0.25%</td> </tr> </tbody> </table> <b>plus</b> a fixed fee of \$1.50 per week.	Account Balance	Percentage fee (%pa)	First \$49,999	0.71%	Next \$50,000	0.65%	Next \$100,000	0.40%	Remaining balance over \$199,999	0.25%
Account Balance	Percentage fee (%pa)											
First \$49,999	0.71%											
Next \$50,000	0.65%											
Next \$100,000	0.40%											
Remaining balance over \$199,999	0.25%											

After the move, fees will be charged as outlined above, before allowing for the tax benefits we receive. These tax benefits will be credited back to your account at the time the fees are deducted. This effectively reduces your fees by up to 15% and you'll see this as a tax credit.

Your Welcome Kit will also confirm the fees that will apply to your new account, which you'll receive after the move.

## How you can reduce your fees

The \$1.50 portion of the Administration fee won't apply if your account balance reaches \$50,000. You can increase your balance by consolidating your other super accounts or making additional contributions.

You may also want to compare your investment fees with other options available in the Investment Menu on [mlc.com.au/TERP](http://mlc.com.au/TERP). You may want to speak to your adviser about this.

Type of fee or cost	Before the move	After the move				
<b>Management costs</b>						
<b>Administration fee during low or negative investment returns</b>	\$11.76 pa This may be charged on 24 May 2013 instead of the Management Fee and Account Keeping Fees if your balance is under \$1,000.	Not applicable				
<b>Termination fee</b>	Nil	\$75 This fee is deducted from the amount paid when you make a full withdrawal. The fee is currently not charged: <ul style="list-style-type: none"> <li>if you're moving to Personal Super</li> <li>where a Death, Total and Permanent Disablement or financial hardship payment is paid, or</li> <li>if you leave your employer after the move and your account is transferred to Personal Super and remains in Personal Super for one year or more.</li> </ul>				
<b>Fees paid for investment management</b>						
<b>Investment fee</b>	Included in the Management fee above	<b>Indicative investment fee:</b> <table border="1"> <tbody> <tr> <td>MLC Horizon 4 Balanced Portfolio</td> <td>0.70% pa</td> </tr> <tr> <td>MLC Cash fund</td> <td>0.25% pa</td> </tr> </tbody> </table>	MLC Horizon 4 Balanced Portfolio	0.70% pa	MLC Cash fund	0.25% pa
MLC Horizon 4 Balanced Portfolio	0.70% pa					
MLC Cash fund	0.25% pa					
<b>Fees paid to your adviser</b>						
<b>Contribution based commission</b>	Your Plan adviser receives commission of 1.073% of each contribution paid from the management fee above (this doesn't apply if your employer's Plan used to be with National Flexi Super).	Nil				
<b>Asset based commission</b>	Your Plan adviser receives commission of 0.33% pa paid from the Management fee (or 0.22% pa if your employer's Plan used to be with National Flexi Super).	<b>Plan service fee</b> 0.33% pa (or 0.22% pa if your employer's Plan used to be with National Flexi Super). It's deducted monthly from your account and paid to your Plan adviser.				

# Important information about the move



## What you need to do before the move

The move will happen automatically. If you'd prefer not to move, you'll need to transfer to a different super fund before 17 May 2013. If you're considering this, you may want to speak with an adviser about your options.

### Do you want to change your insurance?

To make sure the new insurance premium and insurance is suitable for your needs, you may want to talk to your adviser about your insurance choice. If you'd like to change your insurance, please let us know by 17 May 2013. To do this please complete the Request to change insurance form on [mlc.com.au/TERP](http://mlc.com.au/TERP), or call us.

### Do we have your correct date of birth?

If we don't have your correct date of birth, please provide this to us before 17 May 2013. This will ensure you receive the correct amount of insurance that you're entitled to.

### Please provide your Tax File Number (TFN)

Although you're not legally obliged to provide your TFN, if we don't have your TFN you may be paying more tax than you need to. Also, we won't be able to accept contributions from your employer after 1 July 2013 unless we have your TFN. To supply your TFN, please go to [mlc.com.au/TERP](http://mlc.com.au/TERP) or call us.

### Have you left your employer?

If you've left the employer associated with your account, please complete the Change of account details form available on [mlc.com.au/TERP](http://mlc.com.au/TERP) and return it to us before 17 May 2013. Your account will then be moved to Personal Super on 24 May 2013.

## Closing date for your transaction requests

You can continue to transact on your existing account until 5 pm on 17 May 2013. Any transactions received after this time will be processed in your new account after 10 June 2013 within five business days and will be effective on the date they are processed. This means any contributions received during this time won't be invested until after 10 June 2013.





### After the move

You'll receive a Welcome Kit in August 2013 to confirm:

- your super and insurance details, and
- your new account number and online access details.

Please call us after 10 June 2013 if you need your account number before you receive your Welcome Kit.

### New ways to operate your account

You'll also benefit from an easy to use website, meaning you can manage your account online at [mlc.com.au](http://mlc.com.au) when it's convenient for you. You'll be able to:

- transact on your account
  - track your investments, and
  - update your personal details
- giving you more control over your investment.

You'll also be able to find information on your investment options through our Fund Profile Tool. Go to [mlc.com.au/fundprofiles](http://mlc.com.au/fundprofiles)

### Regular personal contributions

You can make contributions by:

- BPAY
- direct debit, and
- transfers from your bank account.

The information you need to do this will be in your Welcome Kit. If you need to make a contribution before you receive your Welcome Kit in August 2013, please call us.

### Any questions?

**If you have any questions,  
please call us on 132 652  
between 8 am and 6 pm AEST  
Monday to Friday.**



Issued by: The Trustee, MLC Nominees Pty Limited,  
ABN 93 002 814 959, AFSL 230702

The Universal Super Scheme, ABN 44 928 361 101

Insurance issued by: MLC Limited (The Insurer),  
ABN 90 000 000 402, AFSL 230694

For more information  
call MLC from anywhere  
in Australia on **132 652**  
or contact your adviser.

**Postal address:**

MLC Limited, PO Box 200  
North Sydney NSW 2059

**Registered office:**

Ground Floor, MLC Building  
105–153 Miller Street  
North Sydney NSW 2060

**[mlc.com.au](http://mlc.com.au)**