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Zurich Superannuation Plan

Additional Information Booklet

Issue date: 11 March 2011

Important notes

Preparation date: 21 February 2011

This document is the "**Zurich Superannuation Plan – Additional Information Booklet**" referred to in the Zurich Superannuation Plan ('ZSP') and Zurich Account-Based Pension ('ZABP') Product Disclosure Statement ('PDS') dated 11 March 2011.

The PDS is an important document and is available online at www.zurich.com.au or by calling the Client Service Centre on 131 551. You should read the PDS and all incorporated documents referred to in the PDS (available online at www.zurich.com.au/ZSPandZABP) in full before making a decision about the ZSP.

The information contained in this document is general information only. It does not take into account your personal investment objectives, financial situation or particular needs. You should consider the appropriateness of this product having regard to your objectives, financial situation and needs. We recommend you seek professional financial advice before making any decision affecting your investment in this product.

'The Trustee' means Zurich Australian Superannuation Pty Limited ABN 78 000 880 553, AFSL 232 500. Zurich Australian Superannuation Pty Limited is the trustee of the Zurich Master Superannuation Fund ABN 33 632 838 393 (the 'Fund') and the issuer of the ZSP and ZABP.

'Zurich', 'us', 'our' and 'we' normally means Zurich Australia Limited ABN 92 000 010 195, AFSL 232 510. Zurich is the administrator of the ZSP and ZABP, and the issuer of insurance policies to the Trustee.

Investments in the ZSP and ZABP are subject to investment risk, including possible delays in repayment and loss of capital invested. Unless specifically stated, there is no guarantee of the performance of any of the investment options or the repayment of capital. All investments are made through a life insurance policy issued by Zurich. Through this life policy, each of the investment options is invested in underlying unit trusts managed by Zurich Investment Management Limited ABN 56 063 278 400, AFSL 232 511 ('Zurich Investments' or 'ZIM') or other selected managers. The Trustee and Zurich reserve the right to vary the way in which each investment option is invested.

The assets of the ZSP and ZABP are held within the No. 3 Statutory Fund of Zurich.

Any organisations referred to in this document, including any external investment managers, have consented to the references to their organisations in this document.

Up-to-date information

The rules and laws governing superannuation (including tax laws) may change from time to time, so it is important to ensure you are reading the most recent version of this document (available online at www.zurich.com.au/ZSPandZABP) and discuss how any changes may affect your investment with your financial adviser. If you would like to receive a printed version free of charge please contact the Zurich Client Service Centre on 131 551.

Contents

The type of contributions that can be made to super

The ZSP provides a number of flexible contribution options and may accept:

Compulsory employer contributions	For most employees, employers are obliged to make a minimum contribution to superannuation in accordance with industrial awards or workplace agreements relevant to their employment and the Government's Superannuation Guarantee (SG) legislation. This is at least 9% of earnings, but may change depending on superannuation legislation. Such contributions can be received by the ZSP regardless of your age.
Voluntary employer contributions	Your employer may decide to make additional contributions above the minimum requirements on your behalf.
Salary sacrifice contributions (pre-tax contributions)	Your employer may be willing to contribute some of your remuneration package directly into your ZSP account instead of paying it as salary. If you are interested in salary sacrifice you should discuss this further with your employer and your financial adviser.
Personal voluntary contributions (post-tax contributions)	You are able to make additional contributions, either on a regular basis (for example, through an automatic payroll deduction from your salary) or by an occasional lump sum, to assist you in achieving your retirement goals.
Self employed contributions	Self-employed people and substantially self-employed people may be able to contribute to the ZSP and claim a tax deduction for superannuation contributions. For further information on tax deductibility of these contributions, and for the definition of a self-employed person please refer to page 8.
Spouse contributions	You can make contributions on behalf of your spouse regardless of their assessable income or gainful employment status, as long as the spouse is under age 65. (Your spouse will need to become a member of the ZSP and will need to complete the necessary application forms.) If you are interested in spouse contributions, you should discuss this further with your financial adviser. These contributions are fully preserved and are not accessible until your spouse satisfies a condition of release (see page 5).
Government co-contributions	Government co-contributions are able to be accepted in your ZSP account. The co-contribution is not treated as a non-concessional contribution. The co-contribution and earnings on the co-contribution will be preserved in your super fund until you retire or satisfy a normal condition of release (refer to page 5 for further information).
Rollovers and Transfers	If at any time you are entitled to a transitional termination payment (being an employment termination payment which you were entitled to as at 9 May 2006) or you have money in other superannuation funds, you may be able to transfer these amounts into your ZSP account. To rollover or transfer amounts to your ZSP account simply use the Authorisation to transfer superannuation benefits between funds form in the back of the PDS. Consolidating your benefit in this way may have a number of advantages: • You will receive one statement, so it will be easier for you to keep track of how your total retirement savings are growing. • You may avoid duplication of account keeping fees.

For important information on when you can make contributions please refer to the table on the next page.

Who can contribute to super?

The table below summarises when the Fund may accept contributions in respect of an individual.

Age of Member	Employer Contributions (Concessional Contributions)	Personal Contributions (Non-Concessional/Concessional Contributions)#	Spouse Contributions (Non-Concessional Contributions)#
Under age 65	Compulsory Employer Contributions (e.g. SG or industrial award) OR Voluntary Employer Contributions. May be accepted regardless of number of hours member worked during the year.	May be accepted regardless of number of hours member worked during the year. *(Superannuation funds will only be able to accept non-concessional contributions for or on behalf of a member if the member's TFN has been quoted to the fund and where the non-concessional contributions cap is not exceeded.)*	May be accepted regardless of number of hours the spouse worked during the year. There is no age limit or employment test for the person making the contribution.
65 – 69	Compulsory Employer Contributions (e.g. SG or industrial award) OR Voluntary Employer Contributions where the member is gainfully employed on at least a part-time basis (minimum of 40 hours of gainful employment in a consecutive period of 30 days in the financial year in which the contribution is made).	May be accepted where the member is gainfully employed on at least a part-time basis (minimum of 40 hours of gainful employment in a consecutive period of 30 days in the financial year in which the contribution is made). *(Superannuation funds will only be able to accept non-concessional contributions for or on behalf of a member if the member's TFN has been quoted to the fund and where the non-concessional contributions cap is not exceeded.)*	May be accepted where the spouse is gainfully employed on at least a part-time basis (minimum of 40 hours of gainful employment in a consecutive period of 30 days in the financial year in which the contribution is made). There is no age limit or employment test for the person making the contribution.
70 – 28th day after end of month in which member attains 75	Compulsory Employer Contributions (e.g. industrial award) OR Voluntary Employer Contributions where the member is gainfully employed on at least a part-time basis (minimum of 40 hours of gainful employment in a consecutive period of 30 days in the financial year in which the contribution is made).	May be accepted where the member is gainfully employed on at least a part-time basis (minimum of 40 hours of gainful employment in a consecutive period of 30 days in the financial year in which the contribution is made). *(Superannuation funds will only be able to accept non-concessional contributions for or on behalf of a member, if the member's TFN has been quoted to the fund and where the non-concessional contributions cap is not exceeded.)*	No spouse contributions permitted.
Over Age 75*	Compulsory Employer Contributions (e.g. industrial award).	No personal contributions permitted.	No spouse contributions permitted.

Superannuation funds will only be able to accept non-concessional contributions for or on behalf of a member, if the member's TFN has been quoted to the fund and where the non-concessional contributions cap is not exceeded.

* Applies from the 28th day after end of month in which member attains age 75.

Contribution limits

The Government has introduced limits on the amounts of concessionally taxed superannuation contributions a person can make/receive. These are referred to as concessional (taxable) and non-concessional (after-tax) contributions caps.

It is important that you monitor contributions made to all of your superannuation accounts (including non-ZSP accounts) as there are taxation consequences for exceeding the caps. Please refer to page 9 for further details on the taxation on excessive contributions.

Concessional contributions

Concessional contributions are superannuation contributions made from pre-tax income for which a tax deduction can be claimed and include:

- employer contributions (both compulsory and voluntary)
- salary sacrifice contributions
- contributions made by eligible persons (e.g. self-employed).

Maximum concessional contribution limit

The maximum concessional contribution limit applies to all concessional contributions made across all superannuation funds on your behalf during the financial year. Concessional contributions made within the cap are taxed at 15%.

Age	Maximum concessional contribution limit
Under age 50	$25,000 pa*
Between ages 50 and 74	$50,000 pa# to 30/06/12 and $25,000 pa^ thereafter

* This limit will apply for 2010/11 financial year. The concessional contributions cap is indexed in line with average weekly ordinary time earnings (AWOTE), in increments of $5,000 (rounded down).

This limit will not be indexed.

^ The maximum concessional contribution limit after 30/6/12, for those aged between ages 50 and 74, will equal the cap for persons aged under 50. Please note at the date of preparation of this PDS, the government had announced changes, that if passed by parliament, will permanently increase the Concessional contribution cap to $50,000 for individuals who have total super balances below $500,000 and are 50 years old or over.

Maximum Non-concessional contributions limits

Non-concessional contributions are those made from a person's after-tax income and do not qualify for a tax deduction under current law. These 'non-concessional' contributions are not subject to the 15% contribution tax described on page 9.

The maximum non-concessional contribution that can be made is six times the concessional contribution cap. For the 2010/11 financial year this will mean the non-concessional contribution cap will be $150,000.

Members under age 65 have the option of bringing forward future cap amounts to the current financial year. This measure allows up to $450,000 to be contributed across three years. After attaining age 65 a maximum non-concessional contribution of $150,000 can be made each financial year provided you satisfy the work test (as described on page 3).

Non-concessional contributions can only be accepted where you have provided your TFN details.

Note that Government co-contributions do not count towards your non-concessional contribution cap.

Exemptions to the non-concessional contribution cap

There are some exemptions from the cap, being:

- the proceeds from the disposal of eligible small business assets up to a lifetime limit of $1.155million (indexed). The $1.155 million exemption from the cap may include up to $500,000 of capital gains that are disregarded under the small business retirement exemption and proceeds from the disposal of assets that qualify for the small business 15 year exemption. The $1.155 million limit may also include proceeds from the disposal of assets that would not otherwise qualify for the small business 15 year exemption because the asset was pre-CGT, there was no capital gain, or the 15 year holding period was not met because the assets were sold after the permanent disablement of the owner
- the proceeds from a settlement for an injury resulting in permanent disablement.

Accessing your super

When can I access my Super?

Superannuation benefits are classified as one or more of the following:

- **preserved benefits**: this part of your balance must be kept in the superannuation environment until you meet certain government requirements
- **restricted non-preserved benefits**: this part of your balance is generally available to you on cessation of employment with your current employer who has contributed to the plan; or
- **unrestricted non-preserved benefits**: this part of your balance is cashable at any time.

To receive the preserved part of your super, you must satisfy a 'condition of release'

Conditions of release

Generally, the conditions of release are:

- you are genuinely retiring(1) on or after reaching your preservation age(2), or

  (1) Retirement for someone who has reached their 'preservation age' (for example if you're currently 55) generally means you have left gainful employment and have no intention of returning to work for more than 10 hours per week in the future and for a person age 60 or over also means an arrangement under which you were gainfully employed has ended after age 60.

  (2) Your preservation age depends on your date of birth, as follows:

Date of birth	Preservation Age
Before 1.7.1960	55
1.7.1960 to 30.6.1961	56
1.7.1961 to 30.6.1962	57
1.7.1962 to 30.6.1963	58
1.7.1963 to 30.6.1964	59
1.7.1964 and after	60

- you have turned 65, or
- you die, or
- you have terminated your current employment, your employer has contributed to the plan, and the preserved part of your super is less than $200, or
- due to ill health (whether physical or mental) it is unlikely that you will ever again engage in gainful employment for which you are reasonably qualified by education, training or experience (this is known as permanent incapacity), or
- due to ill health (whether physical or mental) you have ceased to be gainfully employed but you are not permanently incapacitated (this is known as temporary incapacity). In this case you may only have limited access to your preserved benefits and for the ZSP, a temporary incapacity payment will only be made if you meet the conditions for payment under an income replacement insurance policy (Refer to "**Zurich Superannuation Plan Optional Protection Benefits Information Booklet**"), or
- you have been diagnosed with a terminal illness and the Trustee is satisfied that death is likely to occur within 12 months, or
- the Australian Prudential Regulation Authority ('APRA') approves the withdrawal on compassionate grounds, or
- the Trustee is satisfied that you are suffering severe financial hardship as defined under superannuation law, or
- you were a lost member who has been found and the value of your benefit in the fund when released is less than $200; or
- you have attained your preservation age and take your benefits as a transition to retirement non-commutable pension; or
- in other such circumstances as approved by APRA or relevant government body.

Temporary residents

Please note that if you are the holder of a current or an expired or cancelled temporary resident visa (excluding subclass 405 visa or a subclass 410 visa) and are not a citizen or permanent resident of Australia or New Zealand then the conditions of release are:

- you die, or
- you have been diagnosed with a terminal illness and the Trustee is satisfied that death is likely to occur within 12 months, or
- due to ill health (whether physical or mental) it is unlikely that you will ever again engage in gainful employment for which you are reasonably qualified by education, training or experience (this is known as permanent incapacity), or
- due to ill health (whether physical or mental) you have ceased to be gainfully employed but you are not permanently incapacitated (this is known as temporary incapacity). In this case you may only have limited access to your preserved benefits and for the ZSP, a temporary incapacity payment will only be made if you meet the conditions for payment under an income replacement insurance policy (Refer to the "**Zurich Superannuation Plan Optional Protection Benefits Information Booklet**".)

Please note that benefits in respect of a spouse member who has never worked can generally only be paid on death or on reaching age 65.

What happens on death?

Under the ZSP, members can choose whether or not to nominate a beneficiary to receive their superannuation benefit in the event of their death. If you do not nominate a beneficiary or your beneficiary dies before you, or your beneficiary is no longer a dependant, the money will generally be paid to your estate or dependants or a combination as determined by the Trustee.

Nominated beneficiary

Any nominated beneficiary is used as a guide to whom your dependants are, but is generally not binding on the Trustee. The Trustee may decide that payments should continue to your spouse or dependants, or may pay the money as a lump sum to your spouse, dependants or estate.

At any time you can elect a new nominated beneficiary in writing to us. A new election is only effective once the Trustee receives your written request and revokes all previous elections.

The beneficiary you nominate must be your legal personal representative (generally your estate) or a dependant as defined by the Trust Deed. A dependant is defined to include your spouse (including de facto spouse), your children (including adopted and stepchildren) and any other person you have an interdependency relationship with (refer page 7). You must notify the Trustee if your nominated beneficiary ceases to be a dependant. Recent legislation broadens the definition of spouse and children (allowing same sex partners and their children to be nominated).

Binding nomination

As mentioned above, your nomination is only a guide for the Trustee and they are obliged to pay your death benefit in accordance with the trust deed and superannuation laws. In order to make your nomination binding, the trust deed and superannuation laws require special conditions be met. The Trustee has developed a flexible approach to binding nominations which gives you the opportunity to choose various methods when setting up your nominations.

Binding nomination beneficiaries can be made as either a category (e.g. spouse) or as a specific individual (e.g. where you actually name the individual). For example, you could select 'children' which would cover all your children, or you could elect to nominate a specific child.

For further information on binding nominations, including the nomination form, please ask your financial adviser to provide you with a copy of the Zurich Super Estate Management Binding Nomination brochure. Alternatively a copy of the brochure can also be obtained by contacting the Zurich Client Service Centre on 131 551.

You should consult your financial adviser for information regarding the nomination of a beneficiary.

No nomination

If you do not nominate a beneficiary, the money will be paid to your estate or dependants or a combination as determined by the Trustee.

Definitions of dependant

A dependant includes^:

- your current spouse (including de facto spouse),
- your children* (including adopted and stepchildren),
- someone who is financially dependent on you, or
- someone with whom you have an 'interdependency relationship' (refer below).

Definition of an interdependency relationship

Two people have an interdependency relationship if:

- they have a close personal relationship; and
- they live together; and
- one or each of them provides the other with financial support; and
- one or each of them provides the other with
  (i) domestic support and personal care, but not if one of them provides domestic support and personal care to the other under an employment contract or a contract for services or on behalf of another person or organisation such as a government agency, a body corporate or a benevolent or charitable organisation; or
  (ii) support or care of a type and quality normally provided in a close personal relationship, rather than by a mere friend or flatmate.

Two people also have an interdependency relationship if they have a close personal relationship but they do not meet the other requirements of interdependency because:

(a) due to either or both of them suffering from a disability including a physical, intellectual or psychiatric disability, or

(b) they are temporarily living apart.

In determining whether two people have an interdependency relationship, the Trustee must consider the following matters:

- all of the circumstances of the relationship between the people, including (where relevant):
  (i) the duration of the relationship; and
  (ii) whether or not a sexual relationship exists; and
  (iii) the ownership, use and acquisition of property; and
  (iv) the degree of mutual commitment to a shared life, and
  (v) the care and support of children; and
  (vi) the reputation and public aspects of the relationship; and
  (vii) the degree of emotional support; and
  (viii) the extent to which the relationship is one of mere convenience; and
  (ix) any evidence suggesting that the parties intend the relationship to be permanent;
- the existence of statutory declarations to the effect that the person is, or was, in an interdependency relationship with the other person.

^ The definition of spouse and children has been broadened to allow same sex partners and their children to be nominated.

* Death benefits are able to be paid as a pension (through the Zurich Account-Based Pension) to a child only where the child is under 18, aged 18 to 24 (inclusive) and financially dependent upon you, although when the child turns 25 the balance in the Fund will have to be paid as a lump sum (tax free) to the child. However if the child is permanently disabled the pension can continue to be paid beyond age 25 and does not have to be paid as a lump sum.

Taxation information

The following review of the taxation issues affecting your superannuation investment should be used as a guide only, as individual circumstances may be quite different. The laws governing superannuation are complex, so please contact your financial adviser to develop a strategy most suited to your needs before you decide to invest.

This taxation information is based on the taxation laws which were current at the time of preparation of this document and any assumptions and examples are based on the continuation of laws and rulings current at that date and their interpretation by Zurich. We will advise you in the Annual Fund Report if there are any changes to the general tax situation as described in the PDS.

Superannuation is a long-term, tax advantaged investment used to assist you in achieving the income and lifestyle you want in your retirement. Superannuation may be subject to tax:

- when contributions are made to your plan
- on the fund earnings
- upon withdrawal prior to age 60, and
- upon death.

Benefits you receive from a taxed superannuation fund at age 60 or over will be completely tax-free.

Tax deductibility and tax offsets

A tax deduction or tax offset on superannuation contributions may be allowed to individuals and companies in certain circumstances.

Employers

Generally, an employer can make contributions for an employee only until the day that is 28 days after the end of the month in which the employee turns 75 and employer contributions will only be eligible for a tax deduction if the contribution is made on or before that day.

A tax deduction for an employee after that day is only allowed if the contributions are required by an industrial award or determination in force under an Australian law. Only the amount of the contribution that is actually required by the industrial award or determination may be deducted. An industrial agreement, such as an Australian Workplace Agreement or a Certified Agreement, is not an award or determination. An employer is not required to provide contributions as a consequence of a superannuation guarantee obligation on salary or wages paid to an employee who is over the age of 70.

Self-employed persons

Self-employed persons will be able to claim a deduction for a superannuation contribution made, subject to the Trustee receiving an annual advice from the member. This notification must be made by the earlier of either the time you lodge your income tax return, or the end of the following financial year after the contribution was made. You will not be able to vary the notice after this time.

This includes non-working individuals or if you are 'substantially self-employed' meaning that you receive less than 10% of total assessable income as salary, wages or fringe benefits.

Spouse contributions

You may be able to claim a tax offset for any contributions you make on behalf of a spouse. If your spouse's total income does not exceed $10,800 per annum, you may qualify for a tax offset of 18% on a maximum contribution of $3,000 pa (i.e. a maximum offset of $540 pa). The maximum offset phases out where the recipient spouse's income exceeds $10,800 and reduces to nil where the spouse's total income is $13,800 or more.

Note that any contribution made on behalf of your spouse will count towards their non-concessional contribution cap. (refer page 4)

Tax on contributions

Generally, a tax of 15% is payable by your superannuation fund on concessional contributions including:

- employer contributions, including salary sacrifice contributions;
- personal member contributions for which a tax deduction has been claimed;
- the 'untaxed' component of a rollover (which is that part that has not previously had contributions tax imposed); and
- a part of an overseas superannuation transfer which you have elected to be taxable in the Fund.

When we are notified of a contribution that falls in to one of the above categories, the contributions tax is calculated and deducted from your account using the unit price applicable at the day the contribution was credited to your account.

Tax on earnings

Investment earnings of the investment options are taxed at a maximum rate of 15%. Imputation credits from share dividends can reduce the tax payable and result in a tax refund for the Fund if there are any excess credits. The calculation of unit prices takes into account the tax on earnings and any imputation credits available.

Tax on contributions exceeding caps

Excessive concessional contributions

The Australian Taxation Office ('ATO') will monitor all contributions made on your behalf and will notify you if your concessional contributions exceed the maximum allowed. Excess concessional contributions will be effectively taxed at the top marginal tax rate plus Medicare levy and will count towards your non-concessional contribution cap (refer page 4). You will receive notification from the ATO if you exceed the maximum concessional contributions cap and are required to pay additional tax.

You can nominate this additional tax to be paid from your superannuation fund.

Excessive non-concessional contributions

Where the Trustee is aware that you have exceeded your non-concessional contributions cap it must not accept such contributions and will return them to you within 30 days of becoming aware less any change in value since the contributions were received (if relevant) and less reasonable administration and transactions costs.

However where the Trustee is not aware that you have exceeded the non-concessional contributions cap, contributions in excess of the non-concessional contribution cap will be taxed at the top marginal tax rate (plus Medicare levy). The ATO will monitor all non-concessional contributions made on your behalf and will notify you if your non-concessional contributions exceed the maximum allowed. In these instances you will receive a letter from the ATO stating your tax liability arising from the excess contribution. You must nominate a superannuation fund to release the monies to pay the liability. The balance of the excess contribution will be able to remain in the fund.

Tax on Withdrawals

	Prior to age 60	Age 60 +
Lump sum	**Tax-free component:** Tax free (The tax-free component comprises the former pre-July 1983 component [converted into a fixed amount as at 30 June 2007], the CGT exempt component, the post-June 1994 invalidity component, the concessional component, undeducted contributions and non-concessional contributions.) **Taxable component:** Under age 55: maximum 20% plus Medicare levy Aged 55 – 59: Up to low-rate cap amount*: Tax free Balance: maximum 15% plus Medicare levy The **taxable** component comprises the former post-June 1983 component and non-qualifying component, and concessional contributions. * Low-rate cap amount is $160,000 for 2010/11 and will be indexed to Average Weekly Ordinary Time Earnings ('AWOTE') in increments of $5,000.	**Total Lump sum:** Tax free

Proportional drawdown of benefits:
When part or full payment of a superannuation benefit is made, the benefit paid will be considered to include the tax-free and/or taxable components with the relevant portions of each reflecting the proportions such components make up of the total benefit. For lump sum benefits paid this will be the proportion of the components as at the time of withdrawal, while for pensions it will be the proportions as at the commencement of the pension (i.e. the components will be fixed for the life of the pension).

Tax on lump sum death benefits

Lump sum death benefit payments will be tax free if paid to a dependant. Dependants can be a current or former spouse, child under 18, a person financially dependent on the deceased or someone with whom you have an 'interdependency relationship'. Refer to page 7 for the definition of an 'interdependency relationship'.

The taxable component of a lump sum paid to a non-dependant will be taxed at 15% plus Medicare Levy. Any untaxed component of a lump sum will be taxed at 30% plus Medicare Levy.

Tax on lump sum terminal illness benefits

The taxation of benefits paid under disability will vary if you are terminally ill. If it is determined that you are terminally ill the benefit is tax-free.

Note that a member will be taken to be terminally ill if it is certified by two medical practitioners (at least one of these a specialist) that they are suffering from an illness which in the normal course would result in death within a period of 12 months.

Tax on lump sum disability payments

When a Superannuation Lump Sum payment is made to a member who has qualified as permanently disabled, part of the Superannuation Lump Sum paid for this reason may be tax-free.

The amount of the payment that is tax-free is linked to the member's period of future employment service that is lost. For further information on the taxation treatment for disability payments please speak to your financial adviser.

Tax on income replacement payments

The benefits you receive from your income replacement cover must be included in your tax return and will be taxed at your marginal tax rate.

Tax file numbers

Superannuation law requires you to provide your Tax File Number (TFN) to the Trustee in order to make non-concessional contributions and to avoid paying excessive tax on employer (concessional) contributions.

If the Trustee has not been informed of your TFN:

- Employer contributions (i.e. compulsory employer contributions and salary sacrifice contributions) may be taxed at the highest marginal tax rate (plus Medicare Levy).
- Personal contributions and spouse contributions cannot be accepted by the Fund.

What do you need to do?

Non-concessional contributions

To ensure we can receive personal contributions for you, you must complete the TFN details on the enclosed application form or contact the Zurich Client Service Centre on 131 551. Failure to do so will mean that the Trustee will be unable to accept your contribution.

Concessional contributions

Effective 1 July 2007, employers will be required to pass on your TFN to the superannuation fund in which contributions are paid. Therefore when you quote a TFN for employment purposes it will also be assumed that it has been quoted for superannuation purposes.

(**Note**: age-based contribution acceptance rules apply.)

Important information you need to know before providing your TFN

Your TFN is confidential and you should know the following things before you decide to provide it.

- Under the Superannuation Industry (Supervision) Act 1993, taxation legislation and the Privacy Act 1988, we are allowed to collect your TFN.
- If you do provide your TFN to us, we will use it only for legal purposes. This includes finding or identifying your superannuation benefits where other information is insufficient, calculating tax on any superannuation lump sum you may be entitled to, allowing your superannuation provider to quote your TFN to the ATO when reporting details of contributions for the purposes of the Superannuation Surcharge Tax, and providing information to the Commissioner of Taxation. These purposes may change in future.
- It is not an offence if you choose not to quote your TFN. However, if you don't tell us your TFN, either now or later, you may pay more tax on your benefits than you have to. You may reclaim this through the income tax assessment process. It may also be more difficult to find your benefits in the future to pay you any superannuation benefits you are entitled to, or to amalgamate or find any other benefits for you. These consequences may change in the future.
- If you provide your TFN to us, we may provide it to the Trustee of any other superannuation fund to which your benefits are transferred in the future. We will not pass your TFN to any other Fund if you tell us in writing that you do not want us to pass it on. Otherwise we will treat it as confidential.
- Please note that the ATO will provide your TFN details to the Trustee on your behalf unless you instruct the ATO otherwise.

Your financial adviser

If you want to maintain a comfortable standard of living in retirement, it is essential to adequately structure your investment portfolio. For most people, the Age Pension benefit provided by Social Security will not provide the level of income required to maintain the same standard of living in retirement that we are accustomed to in our working years.

This is where your financial adviser can help. Your financial adviser is required to be qualified, sufficiently trained and appropriately licensed or authorised by a licensee to provide financial advice. Your financial adviser is not an agent of the Trustee or Zurich but acts on your behalf.

Your financial adviser can:

- help you assess your financial situation
- identify your protection, investment and retirement needs and
- structure solutions to meet these needs.

Your financial adviser's recommendations are backed by:

- product knowledge
- experience in servicing clients' financial needs and
- an understanding of how taxation and government regulations affect your investments.

Services your financial adviser can provide

Advisers are able to provide a range of personal services. These may include:

- an initial evaluation of your current financial position to identify your protection, retirement and investment needs
- explaining the fundamental investment concepts that you can apply to your retirement plans
- determining an appropriate strategy to meet your requirements
- selecting those products in the most cost-effective manner
- providing an ongoing review of your financial situation and, where necessary, recommending amendments to your investment to reflect changes in your circumstances
- advising you of your options in regard to your retirement payout to take advantage of various concessions available
- keeping you abreast of legislative changes that may affect your investments and
- providing ongoing support including answering any enquiries you may have regarding your investment.

We recommend that you confirm with your financial adviser the particular services they are able to offer you.

Adviser remuneration

The financial adviser recommending this product to you may receive payment ('remuneration') for advice and services to you in relation to the ZSP. Financial advisers have to meet their expenses from this remuneration, and also rely on it to provide an income.

Your financial adviser has two options available in respect of how they can receive their remuneration and will discuss with you the best option to suit your needs. The options available include:

(1) Commission-based

OR

(2) Member advice fee

Adviser remuneration is negotiable between you and your adviser.

Full details of the remuneration your financial adviser can receive can be found in the Zurich Superannuation/Zurich Account-Based Pension PDS on page 32.

Adviser remuneration example:

The following examples illustrate the amount of initial and ongoing remuneration paid to your financial adviser based on the different remuneration structures. **These examples do not take into account your personal circumstances and are intended as an illustration only.** These examples need to be read in conjunction with the information on page 32 of the PDS on fees and adviser remuneration.

	Option to pay contribution fees upfront (Entry Fee) Member Advice Fee	Option to pay contributions fees later (Nil Entry Fee)
Commission-based structure		
Initial remuneration		
Assuming you make a regular contribution of $5,000 pa and the maximum initial adviser remuneration of 5% applies.	$5,000 x 5% = $250 pa	Not applicable
Assuming you make a lump sum investment of $50,000 and the maximum initial adviser remuneration applies.	$50,000 x 5% = $2,500	$50,000 x 3% = $1,500
Ongoing remuneration (paid to the adviser monthly):		
Assuming you have an account balance of $50,000 and the standard ongoing adviser remuneration of 0.45% pa applies.	Account Balance x 0.45% / 365 x no. of days in the month (30 days for this example) $50,000 x 0.45% / 365 x 30 = $18.49 per month.	Account Balance x 0.45% / 365 x no. of days in the month (30 days for this example) $50,000 x 0.45% / 365 x 30 = $18.49 per month.
Assuming you have an account balance of $50,000 and the maximum ongoing adviser remuneration of 1% pa applies	Account Balance x 1% / 365 x no. of days in the month (30 days for this example) $50,000 x 1% / 365 x 30 = $41.10 per month.	Account Balance x 1% / 365 x no. of days in the month (30 days for this example) $50,000 x 1% / 365 x 30 = $41.10 per month.
Member advice fee structure		
Initial member advice fee		
Assuming you have an account balance of $50,000 and have agreed to an initial member advice fee of 5%.	$50,000 x 5% = $2,500	Not applicable
Ongoing member advice fee		
Assuming you have an account balance of $50,000 and you have agreed to an ongoing member advice fee of 0.50%	Account balance x 0.50% / 365 x no. of days in the month (30 days for this example) $50,000 x 0.50% / 365 x 30 = $20.55 per month	Not applicable

Remuneration on insurance component	Initial remuneration	Ongoing remuneration
Assuming that this member is male, 43 years of age and a non-smoker has $250,000 of Death cover with an annual premium of $256.03	**Upfront commission:** 110% x $256.03 = $281.63 **Level commission:** 30% x $256.03 = $76.81 **Hybrid commission:** 80% x $256.03 = $204.82	**Upfront commission:** 10.5% x $256.03 = $26.88 pa **Level commission:** 30% x $256.03 = $76.81 pa **Hybrid commission:** 18% x $256.03 = $46.09 pa

Adviser Service Fees

Under the commission-based remuneration option, you may agree that a fee will be paid to your financial adviser for superannuation services provided to you, related to your investment in the ZSP, when you make your initial contribution, extra contributions or increases. If you have agreed to this Adviser Service Fee, we will redeem units from your plan account and pay the amount to your financial adviser. For the initial fee we will do this either at the first Anniversary Date or when your membership ends (if earlier). Subsequent Adviser Service fees will be deducted immediately.

The maximum Adviser Service Fee you can agree to pay is equal to 25% of your annualised initial contribution, extra contributions or increases (Entry Fee option only). For all other contributions, the maximum that can be agreed to is 5% (both Entry Fee option and Nil Entry Fee option).

The Adviser Service Fee (and the associated commission) will only be paid if the unit redemption would not reduce your plan account balance to less than:

- $1,000 for an adviser service fee agreed for initial contributions,
- $1,500 for adviser service fees agreed for additional or increased contributions.

Adviser Service Fee examples:

The following examples illustrate the amount of Adviser Service Fees that may be paid to your financial adviser. **These examples do not take into account your personal circumstances and are intended as an illustration only**. These examples need to be read in conjunction with the information above on adviser service fees.

	Option to pay contribution fees upfront (Entry Fee)	Option to pay contributions fees later (Nil Entry Fee)
Adviser service fee on initial contribution		
Assuming you make a regular contribution of $5,000 pa and agree with the adviser to the maximum Adviser Service fee of 25%.	$5,000 x 25% = $1,250	Not applicable
Assuming you make a lump sum investment of $50,000 and agree with the adviser to the maximum Adviser Service fee of 5%.	$50,000 x 5% = $2,500	$50,000 x 5% = $2,500
Adviser Service fee on increased / additional contributions		
Assuming you increase your regular contribution by $1,000 pa and agree with the adviser to the maximum Adviser Service fee of 25%.	$1,000 x 25% = $250	Not applicable
Assuming you make an additional lump sum investment of $50,000 and agree with the adviser to the maximum Adviser Service fee of 5%.	$50,000 x 5% = $2,500	$50,000 x 5% = $2,500

Government co-contribution

As an added incentive to boost superannuation savings certain individuals (either employed or self-employed) who make non-concessional contributions to superannuation are entitled to a Government co-contribution, depending on their total income^.

To be eligible to receive a Government co-contribution you must:

- have made a non-concessional contribution (refer to page 4 for the definition of a non-concessional contribution); and
- receive 10% or more of total income (before your tax deduction entitlements, if any, are taken into account) for the income year from employment-related activities and/or carrying on a business; and have total income less than the higher total income threshold ($61,920 for 2010/11); and
- not be the holder of an eligible temporary resident visa at any time during the income year*; and
- be less than 71 years old at the end of the income year; and
- lodge an income tax return for the relevant income year.

Currently, the Government will make a co-contribution of $1.00 for every dollar of non-concessional contributions up to a maximum of $1,000 for a $1,000 non-concessional contribution. The maximum Government co-contribution of $1,000 will be available to people with a total income of $31,920 or less making non-concessional (i.e. after tax) contributions to superannuation. The minimum co-contribution payable is $20 (even if your non-concessional contribution is less than $20).

Example

A person with total income of $31,920 in 2010/11 who makes a $500 personal non-concessional contribution in that year will receive a $500 Government co-contribution. The co-contribution is not a taxable contribution and is subject to the same taxation rules as your personal contribution for which no tax deduction has been claimed (i.e. may be withdrawn tax free once you meet a 'condition of release', and is treated as part of the tax-free component of an income stream). The co-contribution and earnings on the co-contribution will be preserved in your super fund until you retire or satisfy another condition of release.

Eligible self-employed persons seeking a co-contribution would need to consider how much of their contribution (if any) they claim as a tax deduction (concessional contribution) and the component they wish to be treated as a non-concessional contribution, for co-contribution purposes. We strongly recommend you speak to your financial adviser for advice in this matter.

^ Your total income for a financial year is the sum of:
- your assessable income for the income year; and
- your reportable fringe benefits for the income year, less any tax deductions to which you are entitled as a result of carrying on a business; and
- your reportable employer superannuation contributions.

* You can hold a temporary visa if you are a New Zealand citizen or the holder of a visa prescribed for the purposes of the *Superannuation (Unclaimed Money and Lost Members) Act 1999*.

Choice of Fund

Choice of Fund legislation means that most employees are able to choose the super fund to which their employer must make superannuation guarantee (SG) contributions on their behalf.

Who is eligible for Choice of Fund?

Generally, Choice of Fund applies to employees who have SG contributions made on their behalf. It is important to note that not everyone is eligible, so you should confirm with your employer whether you are eligible for choice or not.

What are the main benefits of Choice of Fund?

A choice of where compulsory super is paid allows you to:

- select a fund that meets personal investment needs;
- use one fund for all employer and personal super arrangements. This can be particularly beneficial where one fund is currently used for employer contributions and another fund is used for personal contributions; and
- maintain consistent super arrangements when changing jobs.

Can you elect to have your compulsory superannuation contributions paid to your ZSP?

Yes. Whilst employers are required to nominate a default superannuation fund there is nothing stopping an employee from electing to have their SG contributions paid into the ZSP*.

* Not available for Nil Entry Fee as that option does not accommodate regular contributions.

How do you arrange to have SG contributions paid to your ZSP?

If you want to exercise your rights under Choice of Fund, you will need to provide certain information to your employer, including confirmation that the ZSP is part of a complying fund. A copy of a letter for this purpose, together with other relevant information is located in the ZSP application form which is part of the PDS and also on our website, www.zurich.com.au. Alternatively if you need further assistance please contact your adviser or the Zurich Client Service Centre on 131 551.

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Zurich Australian Superannuation Pty Limited
ABN 78 000 880 553, AFSL 232500,
Zurich Australia Limited
ABN 92 000 010 195, AFSL 232510

5 Blue Street North Sydney NSW 2060
Zurich Client Service Centre
Telephone: 131 551 Facsimile: 02 9995 3797
www.zurich.com.au

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