Vanguard

Your super guide

A detailed guide to your Vanguard Super SaveSmart account

Dated 3rd October 2022



Vanguard **Super**

About this guide

The information in this document forms part of the Product Disclosure Statement (PDS) for Vanguard Super SaveSmart, dated 3rd October 2022. It provides detailed information about your Vanguard Super SaveSmart account, including how to make contributions, how to access your super, fees and costs, and how super is taxed. You should read and consider the information in this guide and the PDS before making decisions about this product.

You can access this guide and the PDS at vanguard.com.au/super/documents.

The information in this guide is current on the day it was prepared, but may change from time to time. Where changes are not materially adverse to members, the information will be updated on our website—vanguard.com.au/super/documents. We'll notify you of other changes as required by law. A paper copy of the PDS and guides and any updated information is available free of charge—simply contact us to request a copy.

The information provided in this guide is general information only. It doesn't take into account your personal objectives, financial situation or needs. For that reason, you should seek financial advice suited to your own circumstances.

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This guide is issued by Vanguard Super Pty Ltd ABN 73 643 614 386, AFS Licence 526270, the Trustee of Vanguard Super, ABN 27 923 449 966, USI VSF0001AU, Level 13, 130 Lonsdale Street, Melbourne VIC 3000.

Our vision is to reshape superannuation for the benefit of all Australians and enable financial peace of mind.



Your Vanguard Super SaveSmart account

Super—it's your money, and it's your future. And it's too important to be complicated and tricky. That's why your Vanguard Super SaveSmart account is easy to understand, simple to invest, and straightforward to manage. That's smart, simple super.



Low fees, clearly explained
Every dollar that you don't pay in fees is a dollar that stays in your super account, helping to build a bigger balance for your future. Our fees are among the lowest in the industry.* And we've made it our mission to make sure they're as clear as possible—so you'll always know what your super costs.



A choice of investments
You get to choose how your super's invested. Whether you prefer to let the experts choose the investment mix for you, or you prefer to build your own portfolio with your own unique blend of assets—a Vanguard Super SaveSmart account lets you choose the path that suits you.



Easy online access
Check the details of your account, change the way your super's invested, or ask us for help at any time. You can do it all through our secure, online member portal—Vanguard Online. Head to vanguard.com.au/super to log in.



Support when you need it most
We provide a basic level of Death and Total & Permanent Disablement (TPD) cover for eligible members, as well as the option of Income Protection cover for those who wish to apply for it. And you can change your cover at any time to better suit your needs.

* Based on fee comparison of a $50,000 account balance invested in the Vanguard Super MySuper Lifecycle option. The fee comparison includes the 'ongoing annual fees and costs' as set out in this guide. This includes administration fees and costs, investment fees and costs and transaction costs. It doesn't include insurance premiums, buy-sell spreads or other fees and costs that may be charged from time to time. The comparison is based on analysis using data sourced from public offer competitor funds of Vanguard Super and is current as at the date of this guide.

How to join



Join online in just minutes

Head to vanguard.com.au/super to join online and set up your Vanguard Super SaveSmart account straight away.

Don't forget to tell your employer!



Then, nominate Vanguard Super as your choice of fund:

- Complete a *Have my super paid into Vanguard Super* form, which you can find on our website at vanguard.com.au/super/ChoiceofFundForm.
- Or, ask your employer for a 'Superannuation standard choice form'. Complete the form with your Vanguard Super account details and your employer will do the rest.

Your employer will pay your Superannuation Guarantee (SG) contributions to your Vanguard Super SaveSmart account (these are the contributions employers are generally required to make on your behalf).

Is Vanguard Super your employer's default super fund?
If your employer has nominated Vanguard Super as their default super fund, and you select this on your 'Superannuation standard choice form', your employer can ask us to set up your membership for you.

Your employer can also ask us to do this if you don't make a selection on your 'Superannuation standard choice form', providing you don't already have an existing account with another super fund.

If you join Vanguard Super SaveSmart through your employer, your super will automatically be invested in the Lifecycle investment option, unless you choose a different option (or options) before your first SG contribution is paid. Lifecycle is the Vanguard MySuper investment option.

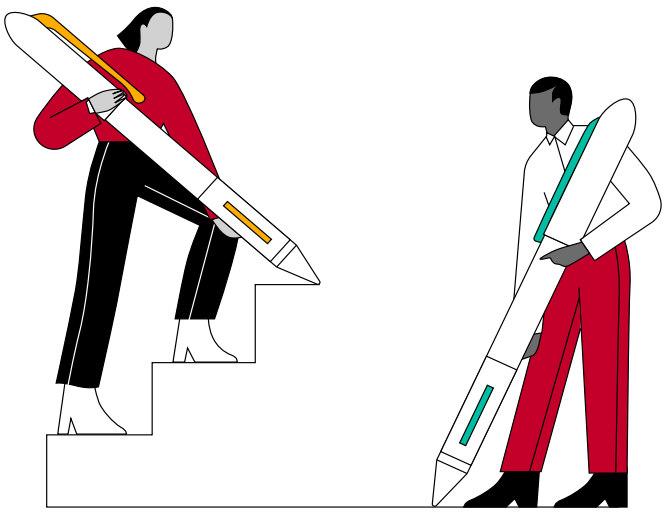
Insurance when you join
If you're aged between 25 and 64 (for TPD cover), or 25 and 69 (for Death cover), and you're eligible, you'll receive default death and TPD cover. This will begin as soon as we receive an SG contribution from your employer, and you have more than $6,000 in your account. If you don't want to wait to meet these criteria, or you're not receiving SG contributions into your Vanguard Super SaveSmart account, you can opt-in to receive default cover from the date you join, so long as you're eligible. See *Insurance in your super*, available at vanguard.com.au/super/insurance-guide, for further details.

Who can open a Vanguard Super SaveSmart account?
Vanguard Super SaveSmart is open to all eligible Australians, regardless of where you work, the industry you work in, or whether you work at all. But some key eligibility criteria do apply. To open an account, you need to:

- be over the age of 15
- live in Australia and be an Australian resident for tax purposes.

And, if you join us online, you'll need to supply a valid Australian mobile phone number and email address. This is how we'll provide you with important information about your account and your investments.

You're good to go
Once you're all signed up, we'll send you all the details of your account, including information about how to access your account through Vanguard Online (if you haven't yet logged on).



Key features of your Vanguard Super SaveSmart account

A choice of investments

When you join and open a Vanguard Super SaveSmart account, you have two ways to invest:

1. select a specific investment option (or options) for your super, or
2. don't select any specific investment options for your super and become a Vanguard MySuper member, and we'll invest your money in our Lifecycle investment option. (Turn to page 15 to find out more about MySuper.)

Keeping things flexible

Super is a long-term investment, and we know that what you need from your super investments may change over time. That's why we give you the flexibility to change how your super's invested at any time. (Turn to page 15 to find out more about changing your investment choices.)

	Your Vanguard Super SaveSmart account	Learn more
✓	Easy online join	Page 6
✓	Accepts Superannuation Guarantee (SG) contributions from your employer	Page 16
✓	Accepts transfers from other super funds	Page 16
✓	An authorised MySuper product	Page 15
✓	Access to the Lifecycle diversified investment option that's tailored to suit your age	Page 15
✓	Choice of a wide range of investment options	Page 15
✓	Ability to construct your own portfolio of investments using a combination of investment options	Page 15
✓	Ability to change your investments at any time	Page 15
✓	Easy online account access via Vanguard Online	Page 9
✓	Access to default Death and TPD insurance cover	Page 15
✓	Offers optional insurance cover including Income Protection	Page 15
✓	Access to our team for support	Page 15
✓	Ability to make death benefit nominations	Page 28

Connecting with your super

Your super is too important to lose track of. You can keep in touch with your account through our secure, online portal for members, Vanguard Online. And we'll also keep you in the loop with important information about your account and your investments.

Digital access to your account

vanguard.com.au/super

The Vanguard Super website contains information and resources to help you learn more about your Vanguard Super SaveSmart account, the Fund, and how we manage your super. Head to our website for:

- fund documents such as the Trust Deed, annual reports (when available), and fund policies
- key information about our products, including Product Disclosure Statements and guides
- information about our investments and investment performance (when available), and
- a range of FAQs to help you make sense of your super and manage your account.

Importantly, the Vanguard Super website is your launch pad for accessing Vanguard Online—our secure, online member portal. Refer to "Managing your account online" (below) to learn more about what Vanguard Online has to offer.

You'll also be able to access your account via our mobile app (when available).

How we communicate with you

We'll generally make information available to you electronically rather than sending it by post (unless we don't have an email address for you). If we have an email address for you, we'll either send you an email notification that the information is available on Vanguard Online, or we'll email you the information directly. We may also make information available or send you a notification by SMS if we have a mobile number for you.

Managing your account online

Vanguard Online is your secure, online member portal, designed to help you keep track of your Vanguard Super SaveSmart account anywhere, any time.

Head to our website at vanguard.com.au/super and log in to Vanguard Online to:

- view your latest account balance
- check your account activity, including contributions and withdrawals
- see how your super's invested, and make changes to those investments if you want to
- check what insurance cover you may have, and make changes to your cover if you want to
- ensure that we have your current contact details on file, and update those details if you need to
- provide us with your tax file number if you haven't already
- choose or make changes to your non-binding beneficiary nominations
- get in touch with us if you have any queries about your account or super in general.

The information we make available in this way includes the PDS, significant event notices, security-related codes and alerts, your annual statement and our annual report.

If you'd prefer to receive your documents in the post, please contact us to let us know.

When you become a Vanguard Super SaveSmart member

When you join Vanguard Super (including if you've joined via your employer), we'll send you all the details of your account, including information about how to access your account through Vanguard Online (if you haven't already logged on).

Transaction confirmations

In most cases, if you change your investment selections for your account, make a withdrawal from your super, or you make a personal contribution or transfer from another fund, you'll receive confirmation from us once that transaction has been processed.

Also note that at times, we may send you emails or paper mail for security reasons or in the interests of fraud prevention.

Please be aware that we don't send confirmations for ongoing regular transactions such as SG contributions from your employer or ongoing salary sacrifice contributions that you've made. Of course, you can always view the details of these transactions through Vanguard Online at any time.

Statements

We provide you with a member statement each financial year. On your statement you'll find the details from the previous financial year that we have for you and your Vanguard Super SaveSmart account, including your personal details, details of any beneficiary nominations you've made, and details of any insurance you may hold with Vanguard Super. Your statement will also contain information on how your investments have performed over the statement period, all transactions, and any fees and costs charged to your account over the statement period.

Keep in touch!

Millions of Australians have lost touch with one or more of their super accounts and we don't want you to become one of them.

Make sure you let us know if you make any changes to your name or address so we can keep you in touch with your super.

You can check and update your contact details any time, simply by heading to vanguard.com.au/super and logging in to Vanguard Online.

You can access your statements when they are available by logging in to Vanguard Online.

If you decide to leave Vanguard Super we'll supply you with an exit statement.

Important fund documents

Important documents about the Fund and Vanguard Super products such as our annual report (when available), Trust Deed, Target Market Determinations and Product Disclosure Statements can all be found on our website at vanguard.com.au/super/documents.

If we make any changes

From time to time, we may make changes that could affect your account or the investments you hold with us. If these changes are not materially adverse, information will be updated on our website—vanguard.com.au/super.

We'll notify you of any changes as required by law.

Protecting your privacy

Protecting your privacy is important to us. We collect, use and disclose personal information to manage your super account and give you information about your super. If the information we request isn't provided, we may not be able to manage and administer your super.

We may use this information to notify you about Vanguard Super and other products and services. Please call our team if you don't want to receive marketing material. We may disclose your information to other organisations to manage your super such as service providers to Vanguard Super (for example, the Fund's administrator, insurer, auditors and legal advisers). We may also disclose your information to your employer.

Our Privacy Policy sets out more details about how we manage your personal information, how to correct any information which is inaccurate or out of date, and our privacy complaints process. You can read our Privacy Policy at vanguard.com.au/super/documents or call our team for a copy.

Support when you need it

We're here to make super easier for you. So if you've got a question about your Vanguard Super account, here's how to reach our team:

Visit us online
vanguard.com.au/super

Give us a call
1300 655 101





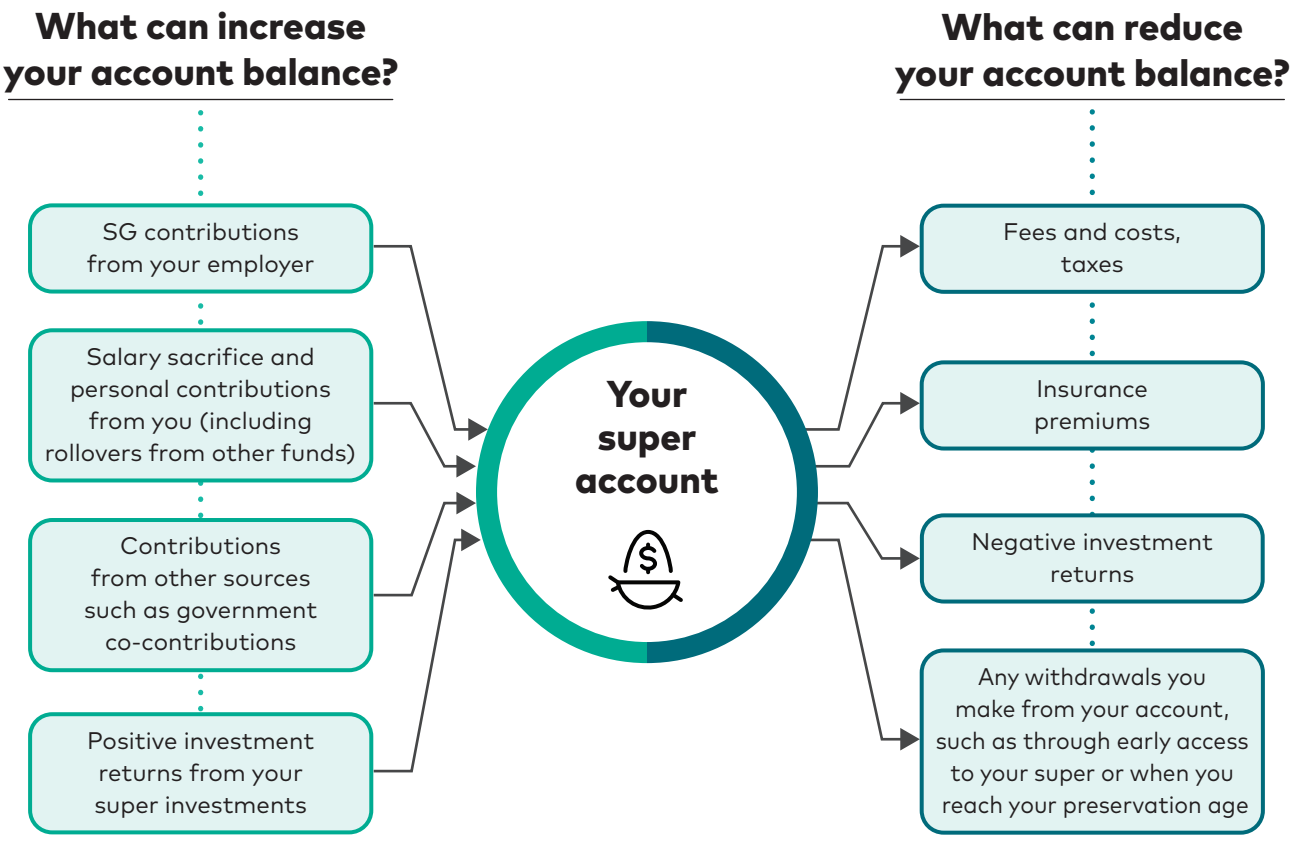
How super works

Australia's superannuation system is designed to help you save money during your working years, in order to help fund your retirement years. In this section we take you through some of the basics of super and how it works.

What is super?

Superannuation—or 'super' as it's commonly called—is a long-term investment designed to help you save for your future. In most cases, your super saving journey will begin with the first Superannuation Guarantee (SG) contribution you receive from your employer (these are the contributions employers are generally required to make on your behalf).

Ideally, over the years your investment will grow as contributions are added and through any investment returns earned. Your super account balance remains locked, or 'preserved', in the superannuation system, and generally can't be accessed until you're eligible to draw on your money to help fund your retirement.



Choosing a super fund

In most cases, you can decide which super fund you'd like to have your SG contributions paid into. For some workers, however, their terms of employment might be governed by an award or specific industrial agreement that specifies which super fund their SG contributions have to be paid into. Your employer will be able to confirm if this is the case for you.

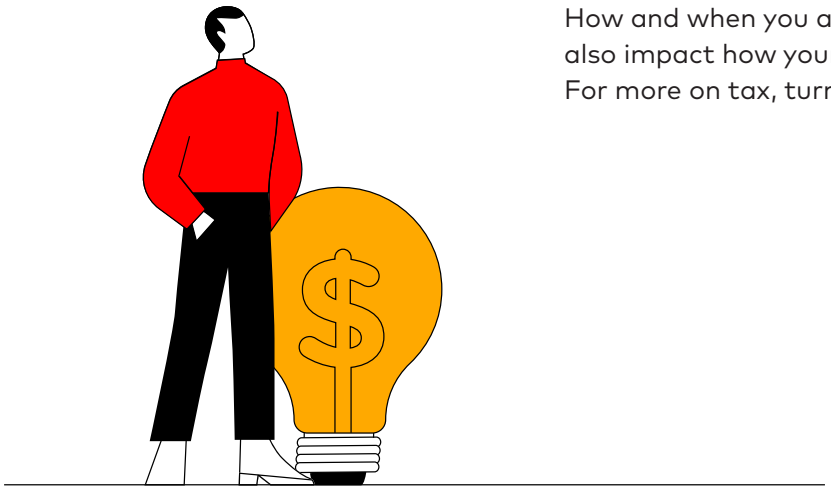
What if you don't choose a fund?
If you change employer and you *don't* choose your own super fund, your employer will contact the Australian Taxation Office (ATO) to see if you have an existing account with another super fund. If you do, this is where they'll pay your SG contributions.

If you have more than one existing super account, the ATO will decide which account your employer should contribute to. This account will be your 'stapled fund'. Whenever you change jobs in future, unless you nominate a different fund, your employer will contact the ATO to find your stapled fund, and this is where your SG contributions will be paid.

If you don't yet have a super account at all, your employer will open a new account for you in their default super fund.

Different ways to contribute

One of the main ways super grows over time is by making contributions, and there are several ways to make them. For most working Australians it's compulsory for your employer to make SG contributions to your nominated super fund on your behalf.



How to make Vanguard Super your choice of fund
Once you've joined Vanguard Super (we show you how on page 6), it's easy to make us your choice of fund...

- Complete a *Have my super paid into Vanguard Super* form, available on our website at vanguard.com.au/super/ChoiceofFundForm.
- Or, ask your employer for a 'Superannuation standard choice form'. Complete the form with your Vanguard Super account details and your employer will do the rest.

In addition, you can also make your own personal contributions to your super. A spouse can make contributions on your behalf too (and vice versa). And if you earn a low income, you may qualify for a government co-contribution (also called a 'super co-contribution').

Find out more about the types of contributions you can make on page 17 of this guide.

Accessing your super

There are limitations on contributions to, and withdrawals from your super account. Generally, you can't access your super until you've stopped working and you've reached your 'preservation age', which depends on when you were born (turn to page 24 of this guide to find your preservation age). In limited circumstances you might be able to access some super earlier, but the government applies strict rules to which circumstances qualify and how much you can withdraw. Find out more on page 25. How and when you access your super can also impact how your benefit is taxed. For more on tax, turn to page 50.

Insurance in your super

Many super funds also provide access to insurance cover for death, total and permanent disablement (TPD), and income protection cover—either by default or upon application. Vanguard Super provides a basic level of default Death and TPD cover for all eligible members. Additional Death and TPD cover is also available, as is Income Protection cover, subject to application. All cover is subject to eligibility requirements.

Find out more about the insurance cover we offer in our guide—*Insurance in your super*—at vanguard.com.au/super/insurance-guide.

Investing your super

Super is a form of investment. When it comes to investing your Vanguard Super SaveSmart account, we offer a range of investment options for you to choose from.

If you don't select a specific investment option (or options) when you first join us, your account will automatically be invested in our Lifecycle investment option.

Alternatively, you can choose your own mix of investments by selecting one or more options from our investment choice menu. We offer a range of Diversified options, each with its own risk and return profile. And we offer a range of Single Sector investment options, which you can use as 'building blocks' to create your own investment mix for your super.

Learn more about your investment options with Vanguard Super in our guide—*Investing your super*—at vanguard.com.au/super/investment-guide.

What is 'MySuper'?

Many super funds offer a MySuper product for their members.

MySuper products come with certain protections under superannuation law. For example, we can only charge certain fees to your account and must provide you with particular types of insurance.

Vanguard Super offers a MySuper product called Vanguard MySuper (authorisation number 27923449966549). You'll be allocated to Vanguard MySuper if you join Vanguard SaveSmart via your employer, or if you join and don't choose a specific investment option when you join.

Vanguard MySuper members are invested in our Lifecycle investment option. If you're a Vanguard MySuper member and you make a change to your investment options, we'll no longer consider you to be a Vanguard MySuper member. This will apply even if you retain some of your account balance in the Lifecycle investment option.

If you'd like to make a change to your investment options but still remain as a Vanguard MySuper member, you can give our team a call on 1300 655 101. If you're not a Vanguard MySuper member, you can still choose to invest part or all of your account in our Lifecycle investment option.

To help you compare MySuper products, super funds offering a MySuper product must have a 'MySuper Dashboard' on their website. The dashboard allows you to compare the features and performance of their MySuper product with those of other funds. You can find ours at vanguard.com.au/super/documents.

Contributing to your super

For most Australians, the super savings journey starts when you receive your first super contribution from your employer. But you can also give your super a boost by making additional contributions. Here we look at the different types of contributions, their key features, and how to make them.

Contributions from your employer

Under current Superannuation Guarantee (SG) legislation, employers in Australia are generally required to contribute an amount to their employees' super that's equal to at least 10.5% of their wages or salary*. Over the coming years, the government will increase the minimum SG rate from 10.5% to 12%, as follows:

FINANCIAL YEAR	MINIMUM SG RATE
1 July 2022–30 June 2023	10.5%
1 July 2023–30 June 2024	11.0%
1 July 2024–30 June 2025	11.5%
1 July 2025 onwards	12.0%

* For SG purposes, wages or salary generally exclude overtime payments but usually include bonuses, commission payments and leave payments (except when paid on termination or parental leave).

While some exemptions apply, you qualify for SG contributions if you're:

- 18 years old or over, or
- under 18 years old and working more than 30 hours in a week.

SG contributions are usually taxed within the Fund at a rate of 15% as they're paid into your super account. Note that if you're

Transferring your other super into Vanguard Super

Do you have your super spread across more than one super fund? If so, you could be paying more than one set of fees on your super each year. What's more, it can make it trickier to know how much retirement savings you have and see how your investments are tracking.

You can transfer super from other super funds into your Vanguard Super account at any time. This is often referred to as 'consolidating' your super.

Bringing your super together in this way may help to reduce the fees you're paying overall, and you might even save yourself the potential administrative headache associated with keeping track of multiple super accounts.

To transfer your super: You'll find everything you need to transfer your super into your Vanguard Super account by logging in to Vanguard Online via our website at vanguard.com.au/super.

IMPORTANT: In some cases, transferring super may impact your fees and costs, tax and insurance benefits (where applicable). You should always consider these potential impacts as well as your personal financial circumstances before transferring your super.

a high-income earner, an additional tax of up to 15% may also apply to contributions. You can pay this tax directly yourself, or authorise payment to be taken from your super account. Find out more about additional tax for those on higher incomes on page 47 of this guide.

SG contributions count towards the concessional contributions cap (we explain the caps in more detail on page 47 of this guide).

Making your own contributions

The Superannuation Guarantee is designed to help you save for your retirement. But SG contributions alone may not be enough to enable you to achieve the sort of retirement you might be hoping for. That's why many Australians choose to make extra contributions to their super over and above the Superannuation Guarantee, with the aim of boosting their super and retiring with more.

A word on contribution caps
The government sets limits on how much super you can contribute over the course of a financial year—they're called contribution caps. If you go over the caps, you may end up paying extra tax. So while making additional contributions to your super can be a great way to boost your retirement savings, it's important to understand the contribution caps and how they apply to your situation.

We cover the caps in more detail in page 47 of this guide.

You can contribute more money to your super in several ways. The different types of contributions generally fall into two categories—before-tax or after-tax—as outlined in the table below:

	Before-tax contributions (also called concessional contributions)	After-tax contributions (also called non-concessional contributions)
What are they	• Super contributions that have been made *before* your income tax has been calculated, or, after-tax contributions for which you claim a tax deduction. • They can be made as regular payments, or as one-off lump sum payments.	• Super contributions taken from your 'take-home' pay *after* income-tax has already been deducted. • They can be made as regular payments, or as one-off lump sum payments.
When they're taxed	• Generally taxed at 15% when they're received by your super fund. • Limits apply to how much you can contribute in a year (see page 46 for more information).	• Generally not taxed when they're received by your super fund. • Limits apply to how much you can contribute in a year (see page 46 for more information).
Examples	• Salary sacrifice contributions • Personal deductible contributions • Employer SG contributions	• Personal after-tax contributions • Spouse contributions

Please note that if you're making a contribution from a bank account, we can only accept contributions from Australian bank accounts.

Personal non-concessional after-tax contributions

Personal non-concessional after-tax contributions can be made to your super at any time. They're made from your after-tax income, and as a result they generally don't incur any additional tax when they're paid into your super account, or when you withdraw them.

These contributions count towards your non-concessional (after-tax) contributions cap. If you go over this cap, additional tax may apply. Turn to page 48 of this guide to find out more.

Eligibility

- **If you're under age 75:** you can generally make personal non-concessional after-tax contributions to your super at any time, even if you're no longer working at the time of making the contribution.
- **Once you reach age 75:** you can't make this type of contribution, although note that there's a brief window after your 75th birthday before the cut-off kicks in. You can still make a personal non-concessional after-tax contribution up to the 28th day of the month *following* the month of your birthday. For example, if you turned 75 on 10 May, you have until 28 June to make the contribution.

To make personal non-concessional after-tax contributions

You'll find everything you need to make a personal non-concessional after-tax contribution on our website. Head to vanguard.com.au/super and log in to Vanguard Online to find out more.

Providing your tax file number

We need your tax file number (TFN) before we can accept a personal after-tax contribution from you. Turn to page 52 for more information on providing your TFN.

Salary sacrifice contributions

Salary sacrifice contributions are organised through your employer's payroll. Your employer pays contributions directly from your gross salary before you pay any income tax on it. This lowers the amount of salary that you pay income tax on.

Salary sacrifice contributions are taxed at 15% instead of at your marginal tax rate, and may save you tax.

They count towards your concessional contribution cap (turn to page 47 to find out more about the contribution caps). The tax is deducted at a rate of 15% as the contribution is received by your super fund.

Salary sacrifice contributions also count when working out if the high-income tax threshold applies to you. Turn to page 47 to find out more about additional tax if you earn more than $250,000.

Eligibility

- **If you're under age 75:** you can generally make salary sacrifice contributions at any time.
- **Once you reach age 75:** you can't make salary sacrifice contributions, although note that there's a brief window after your 75th birthday before the cut-off kicks in. You can still make a salary sacrifice contribution up to the 28th day of the month *following* the month of your birthday. For example, if you turned 75 on 10 May, you have until 28 June to make the contribution.

To make salary sacrifice contributions

Salary sacrifice contributions into your Vanguard Super SaveSmart account are organised by your employer on your behalf. So first, you'll need to check with your employer to ensure they can facilitate salary sacrifice arrangements. If so, you can make salary sacrifice contributions to your super from your future salary, any bonuses you might receive, and other salary-based allowances. Your employer will organise this for you.

Personal deductible contributions

If you've made personal non-concessional after-tax contributions to your super (as described on page 18), you might be eligible to claim a tax deduction for these contributions.

If you do claim a deduction, these contributions will be treated as concessional (before-tax) contributions, which means they'll generally be taxed at 15%. They'll also count towards your concessional (before-tax) contributions cap.

Just note that if we don't receive a *Notice of intent to claim or vary a deduction for personal contributions* form from you, as described in the instructions below, the contributions will be counted towards your non-concessional cap.

Eligibility

If you're under age 18: If you're under age 18 at the end of the financial year in which you made the personal non-concessional after-tax contribution, you can only claim a deduction if you also earned income as an employee or a business operator during that year.

If you're under age 75: You can generally claim a tax deduction for personal super contributions, but some conditions apply.

- If you're aged between 67 and 74 (inclusive), you'll need to satisfy the 'work test' before making a personal deductible contribution to your super. In accordance with this requirement, you'll need to be gainfully employed for a minimum of 40 hours, over a period of no more than 30 consecutive days, in the financial year in which the contributions are made. This is called the 'work test'.
- If your total super balances are below $300,000, you may also be able to make personal deductible contributions in the 12 months after the end of the last financial year in which you met the work test. This is called the 'work test exemption'.

Once you reach age 75: you can't make personal deductible contributions to your super, although note that there's a brief window after your 75th birthday before the cut-off kicks in. You can still make a personal deductible contribution up to the 28th day of the month *following* the month of your birthday. For example, if you turned 75 on 10 May, you have until 28 June to make the contribution.

Plus, you'll need to satisfy the work test, or have a work test exemption (as outlined above).

To make personal deductible contributions

You must let us know that you intend to claim a tax deduction for these contributions—you can do this using the *Notice of intent to claim or vary a deduction for personal contributions* form.

- To download the form, head to our website at vanguard.com.au/super and log in to Vanguard Online.
- Or, you can use the 'Notice of intent to claim or vary a deduction for personal super contributions' form that's available on the ATO's website at **ato.gov.au**.

Once we've received your valid notice, we'll deduct the applicable tax from your contribution. We'll also provide you with written confirmation, which you'll need to complete your tax assessment and claim your deduction.

Please note that you may not be able to claim a deduction for a contribution in cases where you've subsequently withdrawn some or all of the contribution.

Government co-contributions

Government co-contributions (also known as 'super co-contributions') are designed to help people on lower incomes boost their super savings.

To qualify, you need to make a personal after-tax contribution to your super before the end of the financial year (see page 18 for more on this type of contribution).

Then, providing you meet the other eligibility requirements, the government will contribute an additional $0.50 to your super for every dollar of after-tax contribution you've made—up to a maximum co-contribution amount of $500.

Eligibility

In order to qualify for the government co-contribution in the 2022-23 financial year, you need to:

- earn less than $57,016 for the financial year (this figure is indexed annually)
- earn at least 10% of your total income from operating a business or as an employee—or both
- be a permanent resident of Australia (some exceptions apply for New Zealand citizens and some holders of prescribed temporary visas)
- be less than age 71 at the end of the financial year
- lodge an income tax return for the financial year in which you made the contribution
- have a total super balance less than the general transfer balance cap at the end of the previous financial year (this was $1.7 million as at 30 June 2022—you can find out more about the transfer balance cap on page 47), and
- make an after-tax contribution into your super account (without going over the after-tax contributions cap for the year).

The co-contribution amount

Providing you meet the eligibility requirements above, the amount of the co-contribution is scaled depending on:

- how much you add to your super in personal after-tax contributions in the financial year, and
- your total income for the financial year.

If you earn $42,016 or less in the 2022-23 financial year (this figure is indexed annually), the government will contribute the full $0.50 to your super for every dollar of after-tax contributions you make – up to a maximum co-contribution of $500.

The amount you can receive then gradually decreases as your income increases, before cutting out if your income reaches $57,016 and above, in the 2022-23 financial year (this figure is indexed annually).

Any amount of co-contribution you receive doesn't count towards either of the contribution caps. However, just note that the personal after-tax contribution you have to make in order to qualify to receive a co-contribution *does* count towards the non-concessional (after-tax) contribution cap.

Visit the Australian Taxation Office (ATO) website at **ato.gov.au** to find out more about government co-contributions.

Providing your tax file number

And remember, we need your tax file number (TFN) before we can accept a personal after-tax contribution from you or a government co-contribution. Turn to page 52 for more information on providing your TFN.

Spouse contributions

Your spouse may be able to make an after-tax contribution into your super account on your behalf, subject to eligibility requirements. Any spouse contributions made into your account count towards the non-concessional (after-tax) contribution cap (see page 47 of this guide for more on the cap).

Spouse contributions made on behalf of a low-income spouse may be eligible for a tax offset of up to $540. This is why spouse contributions are sometimes used by couples as a way to help reduce the tax they pay.

Note that if your spouse makes a contribution on your behalf, their tax offset won't apply if:

- the contribution means that you exceed your non-concessional (after-tax) contributions cap, or
- your total super balance across all your super accounts is more than the general transfer balance cap at the end of the previous financial year (this was $1.7 million as at 30 June 2022—you can find out more about the transfer balance cap on page 47).

Eligibility

Your spouse can make an eligible spouse contribution on your behalf at any time if:

- they're your legal spouse, or living with you on a bona fide domestic basis as your partner (this includes same-sex couples), but not living separately and apart from you on a permanent basis,
- you're under age 75, and
- to be eligible for the tax offset, the total of your assessable income, reportable fringe benefits you received, and total reportable employer super contributions for the financial year, is less than $40,000.

To make a spouse contribution

To make a spouse contribution, download the *Make a contribution to my spouse* form. To download the form, head to our website at vanguard.com.au/super and log in to Vanguard Online.

Contribution splitting

Contribution splitting allows certain super contributions to be split between your and your spouse's super accounts. In order to receive split contributions from your spouse, you must be:

- under your preservation age (regardless of whether or not you're working), or
- between your preservation age and age 65, and not permanently retired from the workforce.

Note that once you're aged 65 or over, you can't receive split contributions from your spouse.

What contributions can be split?

You can receive the following types of split contributions from your spouse:

- employer SG contributions
- salary sacrifice contributions
- personal deductible contributions.

Once a split contribution has been transferred to your account the money belongs to you, although you won't be able to access it until you reach your preservation age or can satisfy another condition of release (find out more about your preservation age and conditions of release on page 24 of this guide).

You can't split:

- after-tax (non-concessional) contributions
- amounts transferred from other super funds
- directed termination payments, and
- government co-contributions.

The maximum amount of contributions you can apply to split is 85% of your concessional (before-tax) contributions each financial year.

To apply to split your contributions with your spouse:

- Log in to Vanguard Online via our website at vanguard.com.au/super, and download the *Split contributions with my spouse* form.
- If you're applying to split a personal deductible contribution with your spouse, and you're intending to claim a deduction for that contribution, you'll need to give us your *Notice of intent to claim or vary a deduction for personal contributions* form before you apply to split your contribution (refer to page 19 for more information on claiming deductions for personal contributions).

To receive split contributions from your spouse:

- Your spouse will need to apply through their super fund.
- Please note there's no requirement to maintain a minimum account balance when you make a contribution split.

For more information on contribution splitting, refer to the ATO website at **ato.gov.au**.

Low income super tax offset

The low income super tax offset (LISTO) is a government super payment to help low-income earners save for retirement. If you earn $37,000 or less a year, you may be eligible to receive a LISTO payment. This is usually paid directly into your super fund.

The LISTO is 15% of the before-tax (concessional) super contributions you or your employer pays into your super fund—up to a maximum of $500 for eligible members.

You don't need to do anything to receive a LISTO, as the ATO will automatically determine your eligibility using information on your tax assessment.

Please note that you'll need to provide us with your TFN in order to receive your LISTO payment. Refer to page 52 of this guide for more information on providing your TFN.

Downsizer contributions

If you've owned your home for at least 10 years and are over age 60, you may be eligible to contribute up to $300,000 to your super from the proceeds of selling your home. If the home is jointly owned, each person can contribute up to $300,000 to their super fund (as long as the combined amount doesn't exceed the total proceeds from the sale).

If you're over age 60 and your spouse (or former spouse) has owned your home for at least 10 years, you may also be eligible for your spouse (or former spouse) to contribute up to $300,000 to your super from the proceeds of selling the home.

The contribution must be made within 90 days of the settlement (ownership change).

Downsizer contributions are not subject to contribution caps, but they do count towards the transfer balance cap, which is currently set at $1.7 million. (This cap applies when you move your super savings into retirement phase—you can find out more about the cap on page 48 of this guide.)

You can only access the downsizer scheme once. This means you can only make, or have downsizing contributions made on your behalf, for the sale or disposal of *one* home, including one that's owned by a couple. You can't access the downsizer scheme again in relation to a subsequent sale or disposal.

To find out more about eligibility requirements and how to apply, refer to the ATO website at **ato.gov.au**.

First Home Super Saver Scheme

The First Home Super Saver Scheme (FHSS Scheme) is a government scheme intended to help first home buyers save money for their first home within their super fund.

You can make personal deductible (before-tax) and personal after-tax contributions into your super fund to save for your first home. You can then apply to release these personal contributions, along with associated earnings, to help you purchase your first home.

You can apply to have a maximum of $15,000 of your personal after-tax contributions from any one financial year included in your eligible contributions to be released under the FHSS Scheme, up to a total of $50,000 contributions across all years. You'll also receive the earnings on those contributions.

Applications are made through the ATO. You can find out more about withdrawing super under the FHSS Scheme on the ATO's website at **ato.gov.au**

Knowing what's right for you
There are lots of ways to contribute to your super. Different types of contributions receive different tax treatments, and some may be better suited to your personal financial circumstances than others. We recommend you consult with a financial adviser to determine what level of super contributions, and what types, may be most effective for your financial circumstances and long-term savings goals.



Accessing your super

Super is a savings scheme specifically designed to help you fund your retirement. Several restrictions apply to when, and under what circumstances, you can access those savings. Here we take you through some of the key eligibility requirements for accessing your super.

When you can access your super

Generally, your super can't be withdrawn until you meet one or more of the following conditions of release:

- you retire permanently from the workforce on or after reaching your preservation age
- you reach your preservation age and start a transition to retirement income stream
- you leave paid employment on or after reaching age 60
- you reach age 65 (even if you're still working).

Your preservation age varies depending on when you were born—you can find it in the table below.

YOUR DATE OF BIRTH	PRESERVATION AGE
Before 1 July 1960	55
1 July 1960–30 June 1961	56
1 July 1961–30 June 1962	57
1 July 1962–30 June 1963	58
1 July 1963–30 June 1964	59
1 July 1964 or later	60

Transferring super to a bank account
Please note that if we're paying your super benefits to a bank account, it must be an Australian bank account.

Preserved versus non-preserved benefits
Depending on how long you've been receiving or making super contributions, your super account balance might be made up of different components, including 'preserved' amounts, and 'non-preserved' amounts (either 'restricted non-preserved', or 'unrestricted non-preserved')—and this can affect when you can access these amounts.

Preserved amounts: any contributions made to your super from 1 July 1999 onwards are considered 'preserved'. They must remain in your account until you meet a condition of release as shown above.

Non-preserved amounts: they may be either unrestricted or restricted:

- Unrestricted non-preserved amounts can be accessed at any time.
- Restricted non-preserved amounts can be accessed only when you retire, or when you change jobs and leave the employer you were with when you received those amounts—these generally stem from employment related contributions (excluding SG contributions) accrued before 1 July 1999.

Early access to your super

In limited circumstances you may also be able to access some super earlier, but the government applies strict rules to which circumstances qualify and how much you can withdraw. Provided you meet the eligibility criteria, you may be able to access some or all of your super in the following circumstances:

Specified compassionate grounds

You may be allowed to withdraw some of your super on compassionate grounds. Compassionate grounds include needing money to pay for:

- medical treatment and medical transport for you or your dependant
- palliative care for you or your dependant
- making a payment on a home loan or council rates so you don't lose your home
- accommodating a disability for you or your dependant
- expenses associated with the death, funeral or burial of your dependant.

To make an application

Early release payments on compassionate grounds are administered by the ATO, and applications need to be made direct to the ATO. Visit **ato.gov.au** for more information on how to apply. If the ATO approves your application they will send you a letter of approval.

- Send your approval letter to us, along with a completed *Apply for a payment on compassionate grounds* form. You can log in to Vanguard Online via our website at vanguard.com.au/super to download a copy of the form.

Severe financial hardship

You may be able to withdraw some of your super early on severe financial hardship grounds. Conditions apply. For example, the minimum amount you can withdraw is $1,000. Although if your balance is less than $1,000, you would withdraw your remaining balance after tax.

How much you can withdraw depends on whether you've reached your preservation age (check the table on page 24 to find your preservation age).

If you're below your preservation age

You can apply to withdraw *up to $10,000* if:

- you haven't made a withdrawal under financial hardship in the past 12 months, and
- you're currently receiving and have been receiving an eligible Commonwealth income support payment for at least 26 weeks continuously, and
- you can't meet reasonable and immediate family living expenses.

Note that any benefit you receive will be taxed.

If you've reached your preservation age

You can apply to withdraw *any amount* if:

- you've been receiving eligible Commonwealth income support payments for a cumulative period of at least 39 weeks *since reaching your preservation age*, and
- you're unemployed or employed for less than 10 hours a week at the time you apply for payment under financial hardship.

To find out more, or to request access to your super early on severe financial hardship grounds, please contact us directly on **1300 655 101**.

Terminal medical condition

You may be able to access your super if you have a terminal medical condition. A terminal medical condition exists if all of the following conditions are met:

- two registered medical practitioners have certified, jointly or separately, that you suffer from an illness or injury that's likely to result in death within 24 months of the date of signing the certificate, and
- at least one of the registered medical practitioners is a specialist practising in an area related to your illness or injury, and
- the 24-month certification period has not ended.

If you're eligible for early access to your super, your benefit will be paid as a lump sum. The payment is tax-free if you withdraw it within 24 months of certification.

To find out more, or to request access to your super due to a terminal medical condition, please contact us directly on **1300 655 101**.

Permanent incapacity

You may apply for the early release of your account balance on the grounds of 'permanent incapacity'. You're taken to be suffering permanent incapacity if the Trustee is reasonably satisfied that your ill health (whether physical or mental) makes it unlikely that you'll ever engage in gainful employment for which you're reasonably qualified by education, training and experience.

To be eligible for early release of your super on permanent incapacity grounds, the Trustee must be satisfied that you meet this criteria and will require certificates from two medical practitioners. To find out more, please contact us directly on **1300 655 101**.

Other early release schemes

The government may also approve early release schemes in certain situations (similar to the early release scheme that was announced during the initial stages of the COVID-19 pandemic in 2020, for example). In the event that any such schemes are announced in future, we would keep you informed via our website.

Other conditions of release

First Home Super Saver Scheme

If you're eligible for the First Home Super Saver Scheme (FHSS Scheme), you can apply to the ATO to release up to $15,000 of your personal deductible and personal after-tax contributions per financial year—up to an overall total of $50,000. You'll also receive the earnings on those contributions.

You can use this scheme if you're a first home buyer and both of the following apply:

- you either live in the premises you're buying, or intend to as soon as practicable, and
- you intend to live in the property for at least six months of the first 12 months, after it's practical to move in.

Applications for early release under the FHSS Scheme are made directly to the ATO—they'll contact us when you make your request and we'll process your withdrawal in accordance with their instructions.

You'll then have 12 months from the time the savings are released to sign a contract to purchase or build a home. If you don't, and you haven't received an extension of time from the ATO, you'll need to:

- transfer the funds back into your super (less any tax that may have been withheld by the ATO), or
- pay tax equal to 20% of the amount that was released (excluding any components released from non-concessional contributions).

For more information on the FHSS Scheme and eligibility requirements, or to apply for early release under the Scheme, please refer to the ATO's website: **ato.gov.au**.

If you leave Australia

Temporary residents departing Australia

If you've worked in Australia as a temporary resident, you may be able to claim your super under the government's departing Australia superannuation payment scheme once you depart Australia. Your temporary visa must have expired (or have been cancelled), and you must have left Australia permanently. If you don't make a claim, your super will be transferred to the ATO. You can find out more, including how to claim your super directly from the ATO, on the ATO website at **ato.gov.au**.

Australians moving overseas

If you move permanently to New Zealand, the Trans-Tasman retirement savings portability rules allow you to take your super with you and transfer it to a complying KiwiSaver Scheme Account. You can also keep your super with us if you prefer.

If you're moving to a country other than New Zealand, your super will remain invested with Vanguard Super until you meet a condition of release.

Transferring your super to another super fund

You can transfer part or all of your Vanguard Super account balance to another complying super fund at any time. This is also called a 'rollover'.

To transfer all of your balance:
Log in to your myGov account at my.gov.au and select the ATO services tab to transfer your whole Vanguard Super SaveSmart balance to your new super fund.

To transfer part of your balance:
Log in to Vanguard Online via our website at vanguard.com.au/super to download a copy of the *Request a benefit or rollover payment* form.

Your new super fund may also allow you to transfer all or part of your super balance electronically.

If your partial transfer will result in a balance below $10,000
If you request a partial transfer that would see your account balance fall below $10,000 (the minimum amount you need to remain in the Fund), we'll reduce the amount you're transferring where possible, so that your minimum balance is maintained. If it's not possible to reduce the amount, we may not be able to fulfil your request. We'll let you know if we do make any changes to your transfer amount.

If you have a pending investment switch
If you've instructed us to change the way your account is invested (that is, you've made an investment switch), and that request is still pending when you ask us to transfer your super, we'll complete your switching instruction first. Then, within three business days of your investment switch being confirmed, we'll complete your transfer request.

Understanding the impacts of withdrawing your super
How and when you access your super may impact the tax you pay as well as any insurance you might have through your Vanguard Super account. For example, if you transfer your entire account balance to another super fund, any insurance cover you may have had through your Vanguard Super SaveSmart account will stop.

Withdrawing your super may also have an impact on the amount of your future retirement savings (for example if you withdraw some of your super before you retire under an early release scheme).

So, regardless of whether you're accessing your super under an early release scheme, you're transferring your balance to another fund, or you've reached your preservation age and intend to draw on your super in your retirement—it's important to consider these potential impacts before you make your decision.

You can find out more about any insurance you have through Vanguard Super, and the conditions under which that cover stops, in *Insurance in your super*, available on our website at vanguard.com.au/super/insurance-guide.

A financial adviser or tax adviser will be able to provide you with more detailed information that's specific to your personal financial circumstances and needs, and help you make a decision that's appropriate for you.

Death benefits and nominating beneficiaries

You can let us know who you'd like your super and insurance benefits (if applicable) to go to if you die by nominating beneficiaries for your super account. Beneficiary nominations help to ensure your benefits are distributed according to your wishes.

About death benefits

When you die, your super account balance becomes part of a 'death benefit'. This is made up of:

- your account balance less any fees, taxes and any insurance premiums, and
- any insurance benefit payable in accordance with the terms of our insurance policy with the Fund's insurer.

Note that your account balance remains invested in the same investment options up until a death benefit is paid to your beneficiary or beneficiaries. Any insurance benefit (if applicable) will be held in the Cash investment option during this time.

Who can a death benefit be paid to?

Superannuation law and our Trust Deed limit who your death benefit can be paid to. If you die, a death benefit will be payable to:

- your dependants, and/or
- your legal personal representative (the executor of your will or the administrator of your estate).

You can nominate who you want your death benefit to go to if you die, but you'll need to ensure your nominations are in accordance with the limits stated above.

Nominating your beneficiaries

Nominating your beneficiaries is a way of providing more certainty about who receives your benefit if you die.

You can make a binding death benefit nomination or a non-binding death benefit nomination. Both types are explained below. The nomination that's most appropriate for you will depend on your personal circumstances, so you may want to discuss this with a financial adviser.

Binding nominations

As the name suggests, a binding nomination is legally 'binding' on the Trustee. As long as your nomination is a valid nomination and in effect at the date of your death, the Trustee will generally be bound to follow your instructions.

How to make a non-lapsing binding nomination

To make a non-lapsing binding nomination, or to change or revoke an existing nomination, download the *Nominate or cancel a beneficiary* form from Vanguard Online. Head to our website at vanguard.com.au/super to log in.

Key terms defined

Dependant
A dependant is defined as:

- your spouse (see below)
- your children or your spouse's children (regardless of their age)
- any other person who was wholly or partly financially dependent on you at the time of your death (this is someone who relies on you (either entirely or partly) to meet their daily living expenses such as utilities, rent, loan repayments and household expenses), or
- any other person, regardless of their age, with whom you have an interdependency relationship at the time of your death.

Spouse
Your spouse is:

- someone to whom you're legally married
- a person—either same sex or different sex—with whom you're in a relationship that's registered under an Australian State or Territory law, or
- a person—either of same or different sex—who you're not legally married to, but who lives with you on a genuine domestic basis as a couple.

Child
Your child includes an adopted child, a step child, an ex-nuptial child, a surrogate child recognised by the court, or your spouse's child.

Interdependency relationship
You're considered to have an interdependency relationship if you live with someone in a close personal relationship and:

- one or each of you provides the other with financial support, and
- one or each of you provides the other with domestic support and personal care.

You may still be considered to have an interdependency relationship if you are only temporarily living apart.

If you have a close personal relationship with someone but you don't live together or provide support or care, because either or both of you suffer from a physical, intellectual or psychiatric disability, you may still be considered to have an interdependency relationship.



Vanguard Super offers a non-lapsing binding nomination. Once made, the nomination doesn't 'lapse' (expire). However, if your circumstances or preferences change, you can still change or revoke your nomination if you want to at any time.

Trustee consent

Before completing a non-lapsing binding nomination, it's important to be aware that under the Trust Deed, the Trustee must consent to your nomination. This consent must be provided both at the time your nomination is initially made, and at the time of your death.

The Trustee must provide its conditional consent at the time your nomination form is submitted, unless the Trustee is made aware that you didn't understand the consequences of making a non-lapsing binding nomination. If the Trustee doesn't provide its conditional consent at the time that the nomination form is submitted, the nomination is invalid. We'll notify you if this happens.

If the Trustee has provided its conditional consent at the time of accepting the form, and hasn't revoked this consent, then in event of your death, the Trustee must provide its final consent to the nomination contained in the form, unless, since making the nomination, you have:

a) married or entered into a civil union, civil partnership or any form of legally registered relationship;

b) divorced;

c) separated on a permanent basis from a person who you married or with whom you entered into a civil union, civil partnership or any form of legally registered relationship; or

d) had a child with someone who you are not married to or in a civil union, civil partnership or any form of legally registered relationship.

If this is the case, the nomination is revoked and the Trustee must pay your death benefit to one or more of your dependants or legal personal representative or otherwise in accordance with superannuation law.

However, if the Trustee provides its final consent, then the Trustee must pay the death benefit in accordance with your non-lapsing binding nomination.

How to make a non-binding nomination
You can make a non-binding nomination, or change or revoke an existing nomination, at any time via Vanguard Online. Head to our website at vanguard.com.au/super to log in.

Making sure your non-lapsing binding nomination is valid

For your non-lapsing binding nomination to be considered valid and therefore legally binding at the time of your death, you'll need to ensure:

- you've correctly completed and submitted the *Nominate or cancel a binding beneficiary* form
- the beneficiary or beneficiaries you've nominated are dependants and/or your legal personal representative
- the allocation of the death benefit among all beneficiaries is clearly set out and adds up to exactly 100% (please note that when nominating multiple beneficiaries, we can only accept full percentages)
- your nomination is signed and dated by you in the presence of two witnesses who are aged 18 or over at the time of signing (and they're not nominated as beneficiaries), and
- your nomination contains a signed and dated declaration by the witnesses that confirms they were present when you signed the *Nominate or cancel a binding beneficiary* form.

In addition, please note that any dependants you've nominated must still be dependants as at the date of your death.

Non-binding nominations

A non-binding nomination is a way of sharing your wishes with the Trustee. It tells us how you'd prefer your death benefit to be distributed and in what proportions. We'll take your preferences into account when deciding how to distribute your benefit in accordance with superannuation law.

Remember to keep your nomination up to date

It's important to keep your nomination up to date. If there's a significant change in your family or personal circumstances—for example if you have a child, change partner, or someone you've previously nominated as a dependant dies—it's important to make sure your beneficiary nominations continue to reflect your wishes.

You can change or even revoke your nominations at any time via Vanguard Online. Head to our website at vanguard.com.au/super to log in.

However, it doesn't guarantee that your death benefit will be paid exactly according to your wishes. For example, the Trustee may change the proportions of death benefit to be received by your nominees, or may include other dependants (if applicable), not named in your nomination, in the distribution of your death benefit.

Any non-binding nomination you make lasts forever; it doesn't expire and doesn't need to be updated periodically. However, if your circumstances or preferences change, you can change or revoke your nomination if you wish to at any time.

If you don't nominate anyone, or if your nomination isn't valid

If you haven't nominated any beneficiaries for your super before you die, or if your nomination is no longer considered valid, the Trustee must pay your benefit to:

- your dependants, and/or
- a legal personal representative.

If you have neither of the above when you die, the Trustee is required to pay your benefit to any other person the Trustee determines, in accordance with superannuation law.



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 account 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 or your employer, as applicable, may be able to negotiate to pay lower fees. 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**) has a superannuation calculator to help you check out different fee options.

* The wording shown above is required by law. Please note that Vanguard Super's fees and costs are not negotiable.

This section of the document shows fees and other costs you may be charged. These fees and other costs are deducted from your money, from the returns on your investment or from the assets of Vanguard Super as a whole.

Other fees, such as activity fees, and insurance fees, may also be charged, but these will depend on the nature of the activity, or the insurance chosen by you. Entry fees or exit fees cannot be charged. We don't charge advice fees.

Taxes and insurance fees are set out in another part of this document and in our guide—*Insurance in your super*—available at vanguard.com.au/super/insurance-guide.

You should read all the information about fees and other costs because it's important to understand their impact on your investment.

The fees and other costs for each investment option available in Vanguard Super SaveSmart are set out on page 38.

Fees and costs summary

Vanguard Super SaveSmart account

Type of fee or cost	Amount	How and when paid
ONGOING ANNUAL FEES AND COSTS[1]		
Administration fees and costs	**For every member account** 0.30% of your account balance per year up to $850,000 **PLUS** 0.05% of your account balance per year	Administration fees and costs are deducted from your account on a monthly basis. You'll see them listed as monthly transactions in your record of account activity. This 0.30% administration fee is not charged on the portion of your account balance in excess of $850,000. See the 'Additional explanation of fees and costs' section below. This additional 0.05% amount is the Administration Fee—ORFR. This funds the Operational Risk Financial Requirement (ORFR)[2] for the Fund and is deducted from your account on a monthly basis. You'll see it listed as monthly transactions in your record of account activity.
Investment fees and costs[3]	**Vanguard MySuper (Lifecycle)** 0.21% of your account balance per year **Other investment options** 0.20%–0.22% of your account balance per year. Except **Cash Single Sector option** 0.04% per year	Investment fees and costs are incurred on a daily basis within your investment options and are deducted from investment returns before they are applied to your account. They're shown each year in your annual account statement.

Continued next page

Type of fee or cost	Amount	How and when paid
Transaction costs[3]	Varies depending on your chosen investment option/s and ranges between **Vanguard MySuper (Lifecycle)** 0.02% per year **Other investment options** 0.00%–0.03% per year	Transaction costs are incurred over the course of the year as part of daily investment management activities to buy and sell assets of the Fund. They're deducted from investment returns before they are applied to your account, so they don't appear as specific items in your record of account activity. However, they are explained and calculated as a dollar amount in your annual account statement. For the Lifecycle investment option, this includes costs incurred when the Trustee needs to adjust (or 'rebalance') the mix of assets in the portfolio to ensure your overall super investment remains invested according to its specific asset allocation targets. And, for all investment options, transaction costs also include costs applied to withdrawals for fees charged directly to your account and to any deposits to your account for any tax rebates.[4] Details of transaction costs for each investment option are set out in the "Additional explanation of fees and costs" on page 38. (These transaction costs are separate from the member-initiated transaction costs shown in the next section of this table.)

Continued next page

Type of fee or cost	Amount	How and when paid
MEMBER ACTIVITY RELATED FEES AND COSTS		
Buy-sell spread	**Vanguard MySuper (Lifecycle)** Member initiated transaction related costs range 0.00%–0.10% **Other investment options** Member initiated transaction related costs range 0.00%–0.13%	The Trustee doesn't charge buy-sell spreads. However, the issuer of the investments held by the Trustee may charge this cost. Transaction costs are incurred each time there's a contribution to, or withdrawal from, your account, or a switch between investment options (these are 'Member initiated transaction related costs'). The costs may vary depending on the total costs incurred for member transactions each day. These costs are included in the valuation of the Fund's underlying investments and affect the value of your investment. As these costs are automatically factored into your transaction, they don't appear as specific items in your record of account activity. However, they are explained in your annual account statement.
Switching fee	Nil	Not applicable; switches are free of charge. Buy-sell costs may apply. You can find out more on page 27 of *Investing your super*, available at vanguard.com.au/super/investment-guide.
Other fees and costs[5]	See note 5 below.	See note 5 below. In cases where other fees and costs are applied to your account, they're deducted as described in the 'Additional explanation of fees and costs' section on page 38.

1 If your account balance is less than $6,000 at the end of the Fund's financial year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

2 For more information on the Administration Fee—ORFR and how the Operational Risk Financial Requirement (ORFR) is used, refer to the 'Additional explanation of fees and costs' section on page 38.

3 The stated amount is an estimate. The estimated costs are based on actual information available as at the of this PDS and/or a reasonable estimate of costs generally expected to apply to the Vanguard Super investment options. The specific amount applied will depend on the actual costs and may vary from year to year. For more details, see 'the 'Ongoing annual investment fees and costs' section on page 40.

4 Fees charged directly to your account are paid by selling units you hold in your investment option(s), or, for Lifecycle, selling units of the underlying asset sector investments. For more information on how Lifecycle works, refer to *Investing your super*, available at vanguard.com.au/super/investment-guide.

5 Insurance fees may also apply. See *Insurance in your super*, available at vanguard.com.au/super/insurance-guide for further details.

Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs for the Vanguard MySuper product which is invested in the Lifecycle investment option can affect your super investment over a one-year period. You should use this table to compare this superannuation product with other superannuation products.

Example—Vanguard MySuper (Lifecycle)		Balance of $50,000
Administration fees and costs[1]	0.35% of your account balance per year	For every $50,000 you have in the Vanguard MySuper (Lifecycle) investment option, you will be charged or have deducted from your investment **$175** in administration fees and costs.
PLUS Investment fees and costs[2]	0.21% of your account balance per year	**And,** you will be charged or have deducted from your investment **$105** in investment fees and costs.
PLUS Transaction costs[2]	0.02% of your account balance per year	**And,** you will be charged or have deducted from your investment **$10** in transaction costs.
EQUALS Cost of product		If your balance was $50,000 at the beginning of the year, then for that year you will be charged fees and costs of **$290**[3] for Vanguard MySuper (Lifecycle).

1 This amount is made up of both the 0.30% administration fee and 0.05% Administration Fee – ORFR. The 0.30% administration fee is not charged on the portion of your account balance in excess of $850,000. Refer to the table on page 33 for more information on administration fees and costs.

2 The stated amount is an estimate. The estimated costs are based on actual information available as at the date of this PDS and/or a reasonable estimate of costs generally expected to apply to the Vanguard Super investment options. The specific amount applied will depend on the actual costs and may vary from year to year. For more details, see 'the 'Ongoing annual investment fees and costs' section on page 40.

3 Additional fees may apply. If you invest in investment options other than Vanguard MySuper (Lifecycle), the investment fees and costs and transaction costs may be different to those displayed in this example. Refer to the 'Fees and costs' information on page 33 for more information.



Cost of product for one year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your super investment over a one-year period. It's shown for all investment options, and calculated using the same method shown in the 'Example of annual fees and costs' on page 36.

The cost of product information assumes a balance of $50,000 for the year. (Additional fees such as a buy-sell spread may apply. Refer to the 'Fees and costs summary' on page 33 for the relevant investment option.)

You should use this figure to help compare superannuation products and investment options.

Diversified options

Investment option	Cost of product
Lifecycle	$290
High Growth	$280
Ethically Conscious Growth	$290
Growth	$280
Balanced	$280
Conservative	$280

Single Sector options

Investment option	Cost of product
International Shares	$290
Australian Shares	$290
International Shares (Hedged)	$290
Australian Fixed Interest	$290
Global Fixed Interest (Hedged)	$290
Cash	$195

Changes to fees and costs

We may change the fees from time to time. If we increase our fees or introduce new fees, we'll notify you at least 30 days before the change occurs as required by law.

Estimated costs including investment costs, transactions costs and buy-sell spreads may change without prior notice where the underlying expenses in the Fund change. We'll notify you as soon as practicable when there are any changes to costs. We'll also make any updated information about estimated fees and costs available on our website as soon as possible.

Additional explanation of fees and costs

Administration fees and costs

The administration fees and costs are made up of:

- an asset-based fee of 0.30% of your account balance per year (on balances up to $850,000); and
- the Administration Fee—ORFR of 0.05% of your account balance per year.

The Administration Fee—ORFR will apply to your entire account balance, including any portion over $850,000 (it's not subject to the fee cap).

Administration fee cap

When your account balance reaches $850,000, administration fees and costs (except for the Administration Fee—ORFR) will not be charged on any portion of your account balance above $850,000.

Administration Fee — ORFR

All superannuation trustees have a legislative requirement to fund and maintain an Operational Risk Financial Requirement (ORFR). The purpose of the ORFR is to ensure funds are available to cover the cost of any financial impact to members due to an 'operational risk event'. These are events that may result in a loss from inadequate or failed internal processes, people and systems, or from external events. They can include things like an administration processing error, failure of operational controls, fraud, and system failure. The funds in the ORFR may be available to make a payment to a current or former member of Vanguard Super for any financial loss sustained to their account due to any such event.

Vanguard Super holds part of the financial resources for the ORFR in a reserve. To fund this reserve, Vanguard Super charges an additional 0.05% Administration fee - ORFR to all accounts. This fee is not subject to the administration fee cap.

Activity fees

There are no additional activity fees outside of those included in the table for buy-sell spreads.

Advice fees

Advice fees for personal advice cannot be deducted from your Vanguard Super SaveSmart account.

Fee cap

If the balance of your Vanguard Super SaveSmart account is less than $6,000 as at 30 June, or when you exit the Fund, all ongoing fees are capped at 3% of your account balance.

Any amount charged over that cap will be refunded to your account or directly to you (if applicable).

Fee deductions

Administration fees and costs (including the Administration Fee—ORFR) and insurance fees are deducted directly from your Vanguard Super SaveSmart account at the end of every month or when you close your account, via a sell-down of units held in your investment options. If you have multiple investment options for your account, these will be deducted in proportion to the value of your investment options. For the Lifecycle investment option, the sell-down of units applies to the underlying managed investments. For more information on how Lifecycle works please see *Investing your super*, available at vanguard.com.au/super/investment-guide.

For example, if 80% of your account is invested in the Growth investment option, and 20% of your account is invested in

the Cash investment option, 80% of your fees will be calculated based on the value of the Growth portion of your overall holding, and 20% will be calculated based on the value of the Cash portion.

The value is determined on the day these fees and costs are calculated. These will display as a transaction on your Vanguard Super SaveSmart account and can be viewed when you log in to Vanguard Online via our website at vanguard.com.au/super.

Investment fees and costs, and transaction costs are deducted from investment returns before they're applied to your account.

Your annual statement or the statement you receive if you leave Vanguard Super will provide you with details of the dollar amount of these costs.

Insurance fees

Members with insurance cover will pay a fee that equals the cost of the insurance premium. There are no other fees for insurance. The insurance premium you pay is dependent upon the type of cover and level of cover, your age, and any loadings determined by the Fund's insurer.

For more information on the cost of insurance cover, refer to our guide, *Insurance in your super*, available from our website at vanguard.com.au/super/insurance-guide.

Performance fees

There are no performance fees on investment options in Vanguard Super SaveSmart.

Switching fees

Switching fees do not apply. You may change your investments at any time free of any additional fee or charge. However, each time you add to, withdraw from or switch from your investment options, the costs incurred in buying and selling the assets that are detailed in the 'Buy-sell spread' row of the Fees and Costs summary may be incurred. For more information on switching, refer to our guide, *Investing your super*, available on our website at vanguard.com.au/super/investment-guide.



Ongoing annual investment-related fees and costs

The table below provides a summary of the estimated ongoing annual investment fees and costs and transaction costs charged for each investment option per year. Further explanation of each type of fee is included in the information below this table.

Diversified

Investment options	Investment fees and costs	Transaction costs
Lifecycle	0.21%	0.02%
Conservative	0.21%	0.00%
Balanced	0.21%	0.00%
Growth	0.21%	0.00%
High Growth	0.21%	0.00%
Ethically Conscious Growth	0.22%	0.01%

Single Sector

Investment options	Investment fees and costs	Transaction costs
Australian Shares	0.20%	0.03%
International Shares	0.21%	0.02%
International Shares (Hedged)	0.21%	0.02%
Australian Fixed Interest	0.21%	0.02%
Global Fixed Interest (Hedged)	0.21%	0.02%
Cash	0.04%	0.00%

Investment fees and costs

The actual investment fees and costs for each investment option are determined at the end of each financial year and include investment expenses relating to the investments of Vanguard Super's assets. This includes fees paid to investment managers, management fees charged by underlying managed investments, consulting fees, bank fees, custodian fees and internal costs related to the management of Vanguard Super's assets. Investment fees and costs are incurred on a daily basis in your investment options and are deducted from investment returns before they're applied to your account.

The estimated investment fees and costs are based on, where available, actual costs information available as at the date of this PDS and are the anticipated investment costs for the 2022–23 financial year. The specific amount of the investment fees and costs may vary from year to year and will be disclosed in each year's annual report and as a dollar amount in your annual account statement.

Transaction costs

Transaction costs are underlying costs that are incurred over the course of the year as part of daily investment management activities to buy and sell assets of the Fund. They may include explicit transaction costs such as brokerage, settlements costs, or stamp duty, as well as buy-sell spreads charged by the investment manager or in underlying managed investments.

Where a buy-sell spread is charged by the issuer of the investments the Trustee makes, the transaction costs incurred by Vanguard Super may be recovered either entirely or in part through the member activity related buy-sell cost outlined under buy-sell spreads below.

Transaction costs are factored in when we calculate your investment value, so they don't appear as specific items in your record of account activity.

Transaction costs are an estimate of anticipated transaction costs for the 2022–23 financial year. The specific amount of transaction costs you will incur depends on your investment options and the actual transaction costs incurred by Vanguard Super throughout the year. Estimated transaction costs for each investment option are shown on page 40.

Buy-sell spreads

A buy-sell spread is a cost incurred in the buying and selling of investments. The cost is the difference between the buy price and sell price of units in each investment option.

The Trustee doesn't charge a buy-sell spread. However, the issuer of the investments held by the Trustee may charge this cost. Where a buy-sell spread is charged by the issuer of the investments, the transaction costs incurred are recovered by the investment issuer. They are included in each transaction in the buy and sell unit pricesof the Fund's underlying investments and affect the value of your investment.

This cost is incurred each time there's a contribution to, or withdrawal from, your account, or a switch between investment options.

The costs may vary depending on the total costs incurred for member transactions each day.

The below table sets out the range of costs that may apply to member transactions for each investment option.

Diversified

Investment options	Buy-sell spread (%)
Lifecycle* (see Lifecycle section below)	(see below)
Conservative	0.00%-0.09%
Balanced	0.00%-0.09%
Growth	0.00%-0.08%
High Growth	0.00%-0.09%
Ethically Conscious Growth	0.00%-0.10%

Single Sector

Investment options	Buy-sell spread (%)
Australian Shares	0.00%-0.05%
International Shares	0.00%-0.07%
International Shares (Hedged)	0.00%-0.12%
Australian Fixed Interest	0.00%-0.08%
Global Fixed Interest (Hedged)	0.00%-0.13%
Cash	Nil

Lifecycle investment option

Investment option	Buy-sell spread (%)
Age 47 and under	0.00%–0.09%
Age 48	0.00%–0.09%
Age 49	0.00%–0.09%
Age 50	0.00%–0.09%
Age 51	0.00%–0.09%
Age 52	0.00%–0.09%
Age 53	0.00%–0.09%
Age 54	0.00%–0.09%
Age 55	0.00%–0.09%
Age 56	0.00%–0.09%
Age 57	0.00%–0.09%
Age 58	0.00%–0.09%
Age 59	0.00%–0.09%
Age 60	0.00%–0.10%
Age 61	0.00%–0.10%
Age 62	0.00%–0.10%
Age 63	0.00%–0.10%
Age 64	0.00%–0.10%
Age 65	0.00%–0.10%
Age 66	0.00%–0.10%
Age 67	0.00%–0.10%
Age 68	0.00%–0.10%
Age 69	0.00%–0.10%
Age 70	0.00%–0.10%
Age 71	0.00%–0.10%
Age 72	0.00%–0.10%
Age 73	0.00%–0.10%
Age 74	0.00%–0.10%
Age 75	0.00%–0.10%
Age 76	0.00%–0.10%
Age 77	0.00%–0.10%
Age 78	0.00%–0.10%
Age 79	0.00%–0.10%
Age 80	0.00%–0.10%
Age 81	0.00%–0.10%
Age 82 and over	0.00%–0.10%

What about tax?

Fees and costs may include the GST and stamp duty costs incurred by the Fund (where applicable). These costs are automatically paid for by the Fund. In some circumstances, GST costs can be reduced as a result of input tax credits claimed by the Fund.

Therefore, all fees and costs quoted in this guide are as follows (unless otherwise stated):

- inclusive of GST and stamp duty (if applicable)
- less any input tax credits.

In relation to the Administration fees (excluding the Administration Fee—ORFR portion) and insurance premiums charged to your account, the tax benefit from the Fund claiming a tax deduction will be processed as a tax rebate to your account. You'll see the tax rebate transaction listed in your annual member statement.

Defined fees

The following definitions are prescribed by law. Not all of the fees defined below apply to your Vanguard Super SaveSmart account. (To see what fees are applied to your account with us, refer to the "Fees and costs summary" on page 33.)

Activity fees	A fee is an ***activity fee*** if: a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: i. that is engaged in at the request, or with the consent, of a member; or ii. that relates to a member and is required by law; and b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.
Administration fees and costs	***Administration fees and costs*** are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that: a) relate to the administration or operation of the entity; and b) are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.
Advice fees	A fee is an ***advice fee*** if: a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by: i. a trustee of the entity; or ii. another person acting as an employee of, or under an arrangement with, the trustee of the entity; and b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.
Buy-sell spreads	A ***buy-sell spread*** is a fee to recover costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.
Exit fees	An ***exit fee*** is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

Continued next page

Investment fees and costs	***Investment fees and costs*** are fees and costs that relate to the investment of the assets of a superannuation entity and includes: a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and b) costs incurred by the trustee of the entity that: i. relate to the investment of assets of the entity; and ii. are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.
Switching fees	A ***switching fee*** for a MySuper product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one class of beneficial interest in the entity to another. A ***switching fee*** for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.
Transaction costs	***Transaction costs*** are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.



How super is taxed

Super is generally taxed at lower rates than many other forms of investment to encourage retirement savings. Below, we provide an overview of how the different elements of super are taxed, including contributions, investments and withdrawals.

Super, tax and you

The information in this section is general information. It's based on current laws (for the 2022–23 financial year), and the tax treatment of anyone considered an Australian resident for tax purposes and where a tax file number (TFN) has been provided. For more specific information on how your super may be taxed, you may wish to consult a professional tax adviser about your personal financial circumstances and your tax situation.

Tax on super contributions

Contributions are taxed depending on the amount of the contribution itself, as well as the type of contribution, and your overall income level. There are limits on how much you can contribute to super across all your accounts in a financial year. These are called contribution caps. If you go over these caps, you may have to pay extra tax. (The caps are covered in more detail on page 47.)

Providing your Tax File Number is important

When you join, you should let us know your tax file number (TFN). It's not compulsory, but if you don't, your before-tax contributions and withdrawals are taxed at a higher rate. We also can't accept any personal after-tax contributions from you, or accept any government co-contributions into your account.



Contribution type	Tax treatment 2022-23	How and when tax is paid
Before-tax, or 'concessional', contributions, such as Superannuation Guarantee (SG) contributions from your employer, salary sacrifice contributions, and personal deductible contributions	Before-tax contributions, up to the contribution cap of $27,500 a year, are taxed at 15%.	If tax applies to your contribution it will usually be deducted from your Vanguard Super SaveSmart account when your contribution is received. If you do go over the cap, the ATO will provide you with an assessment notice. You can see how you're tracking towards the cap through the ATO services tab of your myGov account.
After-tax, or 'non-concessional', contributions, such as any personal non-deductible contributions you make, and spouse contributions	After-tax contributions, up to the contributions cap of $110,000 a year, are tax-free. You may be able to 'bring forward' up to two years of future after-tax contributions—refer to page 20 for more on the caps and how they work.	Not taxed when they're received by the Fund, provided you don't exceed your non-concessional contribution cap. If you do go over the cap, the ATO will provide you with an assessment notice.
Government co-contributions	Government co-contributions are not taxed on the way into your super, or when you withdraw them. Turn to page 20 for more on the co-contribution and how it works.	Not applicable.

Additional tax if you earn more than $250,000

If your adjusted taxable income (i.e. that's your taxable income, plus any reportable fringe benefits, plus any total net investment loss), is more than $250,000 in a financial year, you may need to pay an additional 15% on some or all of your concessional contributions. This would result in a total tax rate of 30% on these contributions.

If you earn less than $250,000 a year, but when you then include your before-tax concessional contributions it takes your income to more than $250,000, you'll only pay the additional 15% tax rate on the portion of the before-tax concessional contribution amount that took you over the $250,000 threshold.

The low income super tax offset

The low income super tax offset (LISTO) is a government super payment to help low-income earners save for retirement. If you earn $37,000 or less a year, you may be eligible to receive a LISTO payment. This is usually paid directly into your super fund. Turn to page 22 for more information on how the LISTO works.

The contribution caps explained

The government sets limits on how much super you can contribute over the course of a financial year—they're called contribution caps. If you go over the caps, you may end up paying extra tax. Here we look at how the caps work.

The concessional (before-tax) contribution cap

The concessional contribution cap applies to before-tax (concessional) contributions. These include SG contributions, salary sacrifice contributions and personal deductible contributions.

Are you getting close to the capped amounts?
You can check how you're tracking towards the contribution caps. Log in to your myGov account at **my.gov.au** and select the ATO services tab.

You can make up to $27,500 in concessional contributions in total across all your super accounts (if you have more than one) in the 2022–23 financial year—these contributions will be taxed at 15%.

If you go over the cap
If you go over the concessional contribution cap, excess concessional contributions (i.e. those contribution amounts that are over the cap) will be included in your assessable income. They'll be taxed at your marginal tax rate (with a 15% tax offset).

The ATO will let you know if you've gone over the cap, and you'll then have an opportunity to withdraw up to 85% of the excess contributions if you want to (for that financial year). Any excess amount that remains in your super will then count towards your non-concessional (after-tax) contribution cap.

If you do choose to withdraw your excess concessional contributions, the amount you've withdrawn won't count towards your after-tax (non-concessional) contribution cap.

Carry forward cap amounts
You may be eligible to contribute over and above the concessional contribution cap where the following conditions are met:

- in the previous five years (ignoring years prior to 1 July 2018), you have unused concessional cap amounts, and
- the combined balance of all your super accounts at the end of the last financial year was less than $500,000.

Unused concessional contribution cap amounts are available for a maximum of five years. If they're not used within that time they'll expire. The first year from which unused concessional contribution cap amounts can accrue is the 2019-20 financial year.

Visit the ATO's website at **ato.gov.au** to learn more about carrying forward concessional contributions.

The non-concessional (after-tax) contribution cap

The non-concessional contribution cap applies to after-tax contributions. These include personal after-tax contributions and spouse contributions. You can make up to $110,000 in after-tax contributions in the 2022–23 financial year. This is subject to the balance of all your super accounts being less than the transfer balance cap (set at $1.7m for the 2022-23 financial year).

If your balance is equal to or greater than the transfer balance cap across all your super accounts at the end of the previous financial year, your non-concessional contribution cap will be zero. Any non-concessional contributions made will be treated as excess non-concessional contributions.

If you've gone over the concessional contribution cap, any excess amounts that remain in your account will count towards your non-concessional contribution cap.

Downsizer contributions don't count towards your non-concessional contribution cap.

If you go over the cap
The ATO will let you know if you've gone over the cap. You can then choose to withdraw the excess contributions plus 85% of the associated earnings if you want to. If you do, you'll only be taxed on the earnings (at your personal tax rate less a 15% tax offset).

If you go over the cap and don't choose to withdraw the excess contributions, additional tax of up to 45% (plus the Medicare levy of 2%) may apply.

The 'bring forward' rule for under 75s
If you're under age 75 at any time during a financial year and your total super balance across all of your super accounts (if you have more than one) was under $1.7 million as at 30 June 2022, you may be able to 'bring forward' up to two years of future after-tax contributions.

The 'bring forward' provisions, as they're known, effectively allow you to bundle three years' worth of after-tax contributions into this financial year. This means you could contribute up to $330,000 in after-tax contributions in the 2022–23 financial year.

Note that this would preclude you from making further after-tax contributions for the next two financial years, as you have effectively brought them forward into this financial year. Any further after-tax contributions would be considered in excess of the cap, and would be taxed accordingly.

Total super balance	Contribution and bring forward available
Less than $1.48 million	Access to $330,000 cap (over three years)
Greater than or equal to $1.48 million and less than $1.59 million	Access to $220,000 cap (over two years)
Greater than or equal to $1.59 million and less than $1.7 million	Access to $110,000 cap (no bring forward period, general non-concessional contributions cap applies)
Greater than or equal to $1.7 million	Nil

Source: ato.gov.au

The transfer balance cap

The transfer balance cap is a limit on how much super you can move from the accumulation phase (when you're still accumulating your super savings) to the pension phase (when you're starting to draw on your savings). If you do transfer money from your super savings account across to a pension account, it can also have an impact on your ability to make further contributions to super.

In 2022–23 the transfer balance cap is $1.7 million. It increases periodically. If you start a pension for the first time on or after 1 July 2022, the cap will be $1.7 million. You can see how you're tracking towards the cap through the ATO services tab of your myGov account.

Visit the ATO's website at **ato.gov.au** to find out more about the cap and how it works.

Tax on investment earnings

Tax on investment earnings is taken out as part of the investment valuation process (and paid by the Fund directly to the ATO).

What is capital gain?
Capital gain is when the sale price of an asset is more than the purchase price you paid. The difference (less any related costs) is the capital gain.

Investment values and unit prices are net of taxes and investment fees, which are deducted from investment returns before they're applied to your account.

Investment earnings of complying superannuation funds are generally taxed at up to 15% with the following concessions:

- realised capital gains from assets held greater than 12 months are discounted by one third (i.e. effectively taxed at 10%),
- subject to eligibility requirements a tax offset for imputation credits and foreign income tax offsets is available.

Therefore, the actual tax rate at which tax on investment earnings is paid is generally lower than 15%.

Tax on withdrawals

When you make a withdrawal from your super, tax may be withheld from your payment. The amount of tax withheld depends on your age and how much of the withdrawal is made up of either tax-free or taxable components.

Generally, if you're over age 60, withdrawals from your super (whether as a lump sum or income stream) will be tax-free.

Your withdrawal may also be made up of tax-free components that will stay tax-free regardless of your age. These may include:

- government co-contribution amounts
- spouse contributions you've received
- personal non-deductible contributions
- tax-free amounts that you've transferred across from other super funds
- capital gains tax exempt component.

Vanguard Super is a taxed fund, so in most cases there won't be any untaxed element in the withdrawal paid out to you.

Lump sum withdrawals and taxed elements

The table below shows how the *taxed* element is taxed for a lump sum withdrawal.

When you withdraw	Tax treatment 2022–23	How and when tax is paid
If you're aged 60 and above	Tax free	When tax applies to a withdrawal, we'll withhold it from your withdrawal and send the payment to the ATO. When a withdrawal is processed it will be taken proportionately across the tax-free and taxable components of your overall account balance.
If you're at or over your preservation age,* but under age 60	**For amounts up to $230,000:** tax free This is a lifetime limit. It's the total amount you can take at a lower rate of tax over your lifetime, even if you make several withdrawals. **For amounts over $230,000:** 15% plus the Medicare levy of 2%.	
If you're under your preservation age*	20% plus the Medicare levy of 2%.	
Death benefits	Death benefits may be taxed depending on components of the benefit and whether the benefit is paid to a dependant or non-dependant. You can find out more on page 52.	

* You can find your preservation age on page 24.

The above table assumes that your withdrawal doesn't contain an untaxed element. In specific circumstances an untaxed element may be included within your withdrawal—in these cases additional tax will apply.

If you're under age 60 and haven't provided your TFN, withholding tax of 45% plus the Medicare levy of 2% will generally be payable on the taxable component of the withdrawal paid to you. (Refer to page 52 for information on providing us with your TFN.)

Income streams and taxed elements

In limited situations an income stream benefit may be payable. The table below shows how the taxed element is taxed for a withdrawal in the form of an income stream.

When the income stream payment occurs	Tax treatment 2022–23	How and when tax is paid
If you're aged 60 and above	Tax free	When a payment is processed it will be taken proportionately across the tax-free and taxable components of your overall account balance. When tax applies, it will be included in your personal tax for the financial year.
If you're at or over your preservation age,* but under age 60	The taxable component is included in your assessable income, however you receive a tax offset equal to 15% of the included income.	
If you're under your preservation age*	The taxable component is included in your assessable income. If the income stream is paid in connection with your ill-health, you may be entitled to a tax offset equal to 15% of the included amount.	
Death benefits	Death benefits may be taxed depending on the components of the benefit and whether the benefit is paid to a dependant or non-dependant. You can find out more on page 52.	

* You can find your preservation age on page 24.

First Home Super Saver Scheme

If you're eligible for the government's First Home Super Saver Scheme (FHSS Scheme), you can apply to the ATO to release up to $15,000 of your personal deductible and personal after-tax contributions per financial year—up to an overall total of $50,000. You'll also receive the earnings on those contributions. (You can find out more about the scheme on page 23).

When you receive the released amounts, the ATO will automatically withhold tax on before-tax (concessional) contributions and any related investment earnings, either at:

- your marginal tax rate less a 30% tax offset, or
- 17% if the ATO is unable to estimate your expected marginal tax rate.

The amount of tax withheld will be shown on your payment summary from the ATO. You'll need to include this amount in your tax assessment for the year in which you request the release.

You can find out more about the FHSS Scheme on the ATO's website at **ato.gov.au**

Temporary residents

Generally, the taxable components of payments made from the Fund to temporary residents departing Australia permanently are taxed at 35%. The taxable components of payments made from the Fund to holders of working holiday visas are taxed at 65%. You can find out more on the ATO website at **ato.gov.au**

Death benefits

Lump sum death benefits paid to someone who is considered your dependant for tax purposes are generally tax-free. Income stream benefits paid to a dependant (for tax purposes), are generally tax-free if either you or your dependant is over the age of 60. Otherwise, the taxable component income stream benefit is generally included in the dependant's assessable income, subject to a tax offset equal to 15% of the taxable component.

The tax-free component (which is largely made up of non-concessional contributions made by the member to the fund) of lump sum death benefits paid to non-dependants, for example adult children who are not financially dependent, are generally not subject to tax. The taxable components of these payments are subject to 15% tax plus the Medicare levy (currently 2%) on the taxed element, and 30% plus the Medicare levy on the untaxed element of the taxable component of the benefit.

You'll find more detail on the taxation of death benefits on the ATO website at **ato.gov.au**.

Providing your tax file number

Under the *Superannuation Industry (Supervision) Act 1993*, the Trustee of Vanguard Super is authorised to collect, use and disclose your tax file number (TFN).

The Trustee will only use your TFN for lawful purposes relating to your superannuation benefit in Vanguard Super. These purposes may change in the future due to legislative change.

The Trustee may disclose your TFN to another superannuation fund when your benefits are being transferred, unless you request the Trustee in writing that your TFN not be disclosed to any other superannuation fund.

Declining to quote your TFN to the Trustee of Vanguard Super is not an offence. However, giving your TFN to the Trustee will have the following advantages:

- Vanguard Super will be able to accept all permitted types of contributions to your account;
- other than the tax that may ordinarily apply, you will not pay more tax than you need to—this affects both contributions to your superannuation and benefit payments when you start drawing down your superannuation benefits; and
- it will make it much easier to find different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

Find out more

Tax and super can be complex, with many factors having the potential to influence the tax you pay. We recommend you visit the ATO's website at **ato.gov.au** for more detailed tax information.

You may also want to consult a professional tax adviser about your personal financial circumstances and your tax situation.

The Trustee may, where required by law, share your TFN with authorised government agencies. We will, with your permission, also use your TFN to search the ATO's SuperMatch database on your behalf to find any other superannuation amounts held in your name. We will ask for your consent to use your TFN to search the SuperMatch database before the search is undertaken and before consolidating any superannuation amounts found for you.

The Trustee must also comply with the requirements of the *Privacy Act 1988*, including the *Privacy (Tax File Number) Rule 2015*, in relation to how the Trustee collects, records, holds, discloses and uses your TFN.

For more information about how the Trustee collects, holds, discloses, and uses your information, please refer to our Privacy Policy.

How to provide your TFN

When you join Vanguard Super, you'll be asked to provide us with your TFN as part of the joining process. If you don't provide us with your TFN when you join, you can still provide it at any time via Vanguard Online—simply head to our website at vanguard.com.au/super and log in.

Other important information

Vanguard Super is a complying super fund

Vanguard Super is a resident regulated superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth). It is not subject to a direction under section 63 of the *Superannuation Industry (Supervision) Act 1993* (Cth).

Cooling off

If you join Vanguard Super SaveSmart as an individual and you change your mind, a 14-day cooling-off period applies to you. This period starts from either of the following—whichever is earlier:

- the date you receive confirmation that we've opened your account, or
- five calendar days after your account is opened.

During this time you can cancel your membership and have your balance returned. Note that your account balance will be calculated using the unit prices for your investment options that apply on the date your cancellation is processed. It will also be minus any withdrawals made during your membership, transaction or administrative costs and any taxes payable, and will reflect any investment losses if applicable. As a result, the balance you receive may be less than the amount of your original investment.

Unless you've reached your preservation age or met an alternative condition of release, we'll transfer your account to an approved super fund of your choice.

If you cancel your membership during the cooling-off period, you won't be entitled to any insurance benefits for that period. Any insurance premiums you have paid will be refunded.

If you'd like to cancel your membership during this period, please write to us at:
PO Box 18031
Collins St East VIC 8003

If you joined Vanguard Super SaveSmart through your employer, the cooling-off rights set out above don't apply to you.

Retaining a minimum account balance

Generally, there is no minimum balance requirement for your account. However, if you have an account balance of greater than $10,000, and you request a partial transfer or withdrawal that would see your account balance fall below $10,000, then in order to keep your account with us open, a minimum balance of $10,000 will need to remain in your account. In these circumstances, we'll automatically reduce the amount you're transferring (where possible) so your minimum balance is maintained. We'll let you know if we do make any changes to your transfer amount.

Exceptions apply if you're making a withdrawal under the government's financial hardship provisions or other early release schemes or on compassionate grounds, or if you're making a Family Law withdrawal or contribution split.

The deduction of fees and insurance premiums or market movements may result in your account balance falling below $10,000. In these circumstances, there's no need for further action.

Payment of inactive low balance accounts to ATO

We are required to transfer any inactive accounts which have less than $6,000 and meet the requirements shown below, to the ATO. The ATO will try to consolidate the amount into an active super account you might have with another fund.

What is an inactive low balance account?

Your account will be defined as inactive if:

- no contributions or any other amounts have been received for the last 16 months, and
- the account balance is less than $6,000, and
- you have no insurance cover associated with your account, and
- you haven't met a condition of release that may otherwise allow you to access your super.

If you don't want your super to be transferred

You can stop your account from being transferred to the ATO if you wish, simply by doing any one of the following actions:

- change or update your investment options
- make a contribution to your account or transfer ('roll in') super in from another super fund
- make changes in relation to your insurance, such as applying for cover, electing to maintain cover or changing your amount of cover
- make or amend a binding death benefit nomination, or
- let us know in writing that you are not a member of an inactive low-balance account.

Lost members

If you become a 'lost member', we may be required to register your details with the ATO Lost Members' Register. Typically, you're deemed to be a lost member if:

- mail is sent to your last known residential address at least once and is returned to us unclaimed, or
- if we've never had a residential address for you, or
- you've been a member for more than two years and we haven't received any contributions or rollovers for your account within the last five years.

You can find out more about lost members, including all the rules relating to when you're considered to be a lost member and what this means for your super, on the ATO's website at **ato.gov.au**.

Unclaimed super

In certain circumstances, where we've tried without success to contact you, your account may be deemed 'unclaimed money' and we may be required to pay your super to the ATO. It will then be held by the ATO on your behalf until you claim it.

If you're a temporary resident and you don't claim your super within six months of leaving Australia, we'll transfer your super to the ATO. In accordance with ASIC relief, we won't provide an exit statement in these circumstances, and you'll need to contact the ATO directly to claim your super.

You can find out more about unclaimed super on the ATO's website at **ato.gov.au**.

Family Law and super

According to Family Law legislation, super entitlements form part of the property of a marriage or de facto relationship (either same-sex or opposite sex). In the event of a relationship breakdown, the Federal Circuit and Family Court of Australia may make orders to split superannuation entitlements between the parties—the Trustee must follow these orders.

Divorcing partners may also draw up their own financial agreement with regard to their super. As long as this agreement is properly executed and served, the Trustee must act in accordance with the agreement.

You can find out more about Family Law and super on the ATO's website at **ato.gov.au**.

Administration of the Fund

We appoint a specialist super fund administrator to assist with the administration of the Fund's operations, including accepting and investing contributions, and processing investment changes, rollovers and payments. The administrator also creates member accounts, stores and maintains data, and manages the distribution of Fund communications.

If you have a complaint

If you're unhappy with our service or any aspect of the Fund, and would like to make a complaint, you can call us on **1300 655 101** or write to the Complaints Officer Vanguard Super PO Box 18031, Collins St East VIC 8003. Our Complaints Handling Policy is available on our website at vanguard.com.au/super/documents. You can also request a paper copy at any time.

If you're not satisfied with the progress of your complaint or the outcome, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA is an independent dispute resolution body set up by the Federal Government to provide a free, impartial and binding dispute resolution service for financial services.

- Write to GPO Box 3, Melbourne VIC 3001
- Call 1800 931 678
- Email info@afca.org.au
- Website afca.org.au



Visit us online
vanguard.com.au/super



Give us a call
1300 655 101
8:00am – 6:00pm (AET)
Monday to Friday



Write to us
PO Box 18031
Collins St East VIC 8003

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