

# BT Lifetime Super – Employer Plan

Important information and changes for members

17 May 2010



As part of BT's commitment to the continued development of its superannuation offering, we have made improvements to BT Lifetime Super – Employer Plan (BT Super) to better service all our members.

## Introduction of new Personal Memberships in BT Super Take your BT Super account with you to your next job!

### What happens when you leave your employer?

From 1 July 2010, we are introducing personal memberships in BT Super. This means that now you can keep your super with BT when we receive notice that you have left your plan's employer, or are a sole trader or business partner who has ceased actively working in the business.

When we receive notice of the above:

- 1\_ If your balance is \$500 or more, you will automatically become a personal member of BT Super at that time; or
- 2\_ If your balance is less than \$500, we will write to you requesting that you either:
  - a\_ increase your balance above \$500 within 45 days to automatically become a personal member within BT Super, or
  - b\_ nominate an alternate super fund for the transfer of your balance.

After 45 days from when we send you this information, if your balance remains below \$500 and you have not provided instructions for your super balance, you will be transferred to our eligible rollover fund (currently SuperTrace). Please note, we may vary the minimum transfer amount of \$500 at any time and may do this for individual members or groups of members at our discretion (with or without notice).

The above will also apply to your spouse if they have a spouse account within BT Super.

### What are the benefits of remaining in BT Super as a personal member?

When you become a personal member of BT Super, you:

- keep the same BT Super member number,
- keep your existing Investment Option(s) and future investment strategy,
- keep the insurance cover that you currently hold,<sup>1</sup> including the automatic continuation of your Salary Continuance Insurance cover (if applicable),
- keep your nominated beneficiaries,

<sup>1</sup>Your insurance will be maintained only if it is held with our default insurance provider, currently AIA Australia Limited.

- keep your existing PIN and Password, including online access and linked accounts, and
- continue to have access to many of the other features and benefits you already enjoy, including the BT Benefits program.

It will also be easy for your new employer to contribute to your BT Super account. Simply provide your new employer with the pre-populated Choice form, which you will receive from us on confirmation of becoming a personal member. You can also obtain this form from our website at [www.bt.com.au](http://www.bt.com.au) or by calling our Contact Centre on 132 135.

### What fees will apply once you become a personal member?

Personal members will receive a competitive fee structure, as detailed below. Note that the fees that apply to you as a personal member may differ from the fees that applied while you were a member of your employer's plan.

| Administration fee applicable to personal members |                       |
|---|-----------------------|
| Your BT Super account balance                     | Up to (% pa)          |
| First \$100,000                                   | 1.15                  |
| Next \$150,000                                    | 1.00 (rebate of 0.15) |
| Balance   | 0.80 (rebate of 0.35) |

Upon becoming a personal member, the Contribution fee for any contributions or transfers we receive will default to 0%. This fee can be increased, up to 5% for contributions and 1% for transfers, in consultation with your adviser, should you have one.

All other fees and charges for personal members (eg, issuer and member fees) will be the same as for employee members, as disclosed in the BT Super Product Disclosure Statement (PDS).

### Changes to fees and other costs

#### Reduced Administration fee for employer plan members

From 1 July 2010, we are reducing the standard administration fee, as detailed in the table below. In some cases, a lower scale or a fixed administration fee of up to 1.15% pa may apply. Please refer to your Annual Statement for any rebate that may apply for your BT Super or contact the BT Contact Centre.

| Administration fee from 1 July 2010 |              | Administration fee prior to 1 July 2010 |              |
|-------------------------------------|--------------|---|--------------|
| Your employer's plan balance        | Up to (% pa) | Your employer's plan balance            | Up to (% pa) |
| First \$500,000                     | 1.15         | First \$250,000                         | 1.35         |
| Next \$500,000                      | 1.00         | Next \$750,000                          | 1.00         |
| Next \$4 million                    | 0.60         | Next \$4 million                        | 0.60         |
| Next \$5 million                    | 0.45         | Next \$5 million                        | 0.45         |
| Balance over \$10 million           | 0.30         | Balance over \$10 million               | 0.30         |

#### Contribution fee excluded from entry price

The contribution fee (of up to 5%) is the fee charged for each amount contributed to your investment. Currently, the contribution fee is taken into account in the entry price of your Investment Option(s) on the date the contribution or transfer amount is received.

From 1 July 2010, any applicable Contribution or Transfer fees will be charged separately from the entry price. This means that any applicable Contribution fee will be deducted from contributions received first and then the balance of the contribution will be invested at the published entry price (which, from 1 July 2010, will exclude any contribution fee).

This does not change or increase your fees in any way — we're simply providing greater transparency of the way these fees are charged in BT Super. You will now be able to reconcile the entry price you receive for a given transaction against the published entry price for your Investment Option.

## Note

Your plan's employer and financial adviser may have negotiated reduced Contribution and Transfer fees for your investment in BT Super. If so, these discounted fees will continue to apply. Refer to your membership documentation for details of the fees applicable to your BT Super, or contact the BT Contact Centre for more information.

## Transaction costs — change to methodology

From 1 July 2010, the current methodology of rounding unit prices for BT Super to cover the costs of buying and selling the underlying investments, will be replaced with a buy-sell spread. This change is being made to ensure the cost of investing or withdrawing is borne fairly by transacting members and that other members are not disadvantaged.

A buy-sell spread is the difference between an Investment Option's entry price and exit price and is a cost incurred by investors when they invest or withdraw funds. The buy-sell spread is retained by the Investment Option (it is not a fee paid to BT) and contributes towards the transaction costs associated with the Investment Option buying or selling assets.

The buy-sell spreads applicable for each Investment Option within BT Super will be available online at [www.bt.com.au](http://www.bt.com.au) from 1 July 2010. You should consider these costs when making any investment decisions such as changing Investment Options.

We may vary the buy-sell spread for any Investment Option from time to time and the updated information will be posted on [www.bt.com.au](http://www.bt.com.au). Notice will not ordinarily be provided.

## Important information on processing times

### Interim process for the release of unit prices and processing transactions for BT Super during July 2010

To enable BT to deliver these and future product changes, we will be rolling out significant system enhancements.

These system enhancements will be taking place during the month of July 2010. To achieve this, we will be unable to process contributions/applications, investment switches and withdrawals from an Investment Option in BT Super during this time. This means that, while you will still be able to submit requests to BT for investment switches, additional contributions/applications and withdrawals, these requests will not be able to be processed by BT during this period (system enhancement period).

We anticipate that this system enhancement period will last for approximately 2 weeks, commencing Thursday 1 July 2010. However, it is possible that the system enhancement period will be extended until 30 July 2010. During the system enhancement period, unit prices will not be released for the Investment Options within BT Super. We will process all valid transaction requests received during the system enhancement period with an effective date of the first Business Day following the end of the system enhancement period.

The Trustee of BT Super has determined all days during the system enhancement period be classified as non-business days.

### What does this mean for you?

The earliest day for which BT Super unit prices are expected to be released, following the end of the 2009/2010 financial year, is Friday 16 July 2010. In this case, all valid transaction requests received from 4.00pm on Wednesday 30 June 2010 up until the end of the system enhancement period will receive an effective date of Friday 16 July 2010. However, the system enhancement period may be extended until Friday 30 July 2010. In this case, transactions will be processed with an effective date of the first Business Day following the end of the extended system enhancement period.

Following the system enhancement period, most transaction requests submitted via BT Online will be processed automatically through our system. Manual transactions will be processed in the order received until all transactions are complete and our standard processing times can be restored. It is therefore recommended that, where possible, you submit any transaction request via BT Online at [www.bt.com.au](http://www.bt.com.au).

#### Note

This means that there may be a delay in cashing or rolling over your benefit once we resume processing following the system enhancement period.

There is also the potential for an effect on underlying fund performance, either positive or negative, depending on market movements between the Business Day applied to a transaction and the date of processing due to:

- units being issued for transactions (contributions/applications, investment switches and withdrawals) on the basis set out above during the system enhancement period; and
- the potential for large volumes of transactions received during the system enhancement period which will be processed at the end of this period.

The delays detailed above are relevant for you to consider when submitting any transaction requests over the financial year end period, eg requests for cash withdrawals, investment switches, etc. We recommend you take the advance notice of these expected delays into consideration and take any action that you consider appropriate prior to the system enhancement period.

You may also want to consider obtaining professional financial advice regarding the implications of not being able to transact during the system enhancement period. If you would like to be put in touch with a Financial Adviser, please call the BT Contact Centre on 132 135.

#### **Withdrawal transactions – changes to processing cut-off times and unit pricing**

From 1 July 2010 we will be aligning the processing cut-off times and allocation of unit prices for receipt of withdrawal requests by BT with those applicable for receipt of contribution and switching requests.

Accordingly, subject to the interim process for the release of unit prices during the system enhancement period as set out above, the following cut-off times and unit pricing rules will apply for receipt of valid withdrawal requests for BT Super:

If a valid withdrawal request is received by BT either in writing, via BT Online or over the phone, before 4.00pm (Sydney time) on a given Business Day,<sup>1</sup> the withdrawal request will be processed using the exit price for the relevant Investment Option(s) issued for that Business Day. If a valid withdrawal request is received at or after 4.00pm (Sydney time) on a given Business Day, it will be processed using the exit price for the relevant Investment Option(s) issued for the following Business Day.

#### **Other important changes and enhancements**

##### **Update your address online**

We have made it even easier for you to make sure that your details with us are up-to-date whenever they change. You can now update your address by simply logging in to [www.bt.com.au](http://www.bt.com.au).

##### **Notify us online when you leave your employer**

If you have ceased employment with your plan's employer, you can notify us easily online at [www.bt.com.au](http://www.bt.com.au). Simply log on and follow the directions, including how you can arrange for your new employer to contribute to your BT Super.

<sup>1</sup> 'Business Day' – means a day on which banks are open for business in Sydney other than a Saturday or Sunday.

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|--|---|
| <b>Additional contribution methods for employer and spouse contributions</b> | <p>We're making it easier and more convenient for you and your employer to add to your BT Super.</p> <ul style="list-style-type: none"> <li>→ <b>Direct Credit Employer contributions</b> — Employers will be able to direct credit contributions into your BT Super.</li> <li>→ <b>B<sub>PAY</sub> Spouse contributions</b> — If your spouse wishes to contribute to your BT Super account, they will be able to make a B<sub>PAY</sub> contribution, using the following Biller code: 117077. The Customer Reference Number for the B<sub>PAY</sub> transaction is the same as your Member Number.</li> </ul>   |
| <b>Change to frequency of contributions tax deduction</b>                    | <p>From 1 July 2010, contributions tax will generally be deducted from your BT Super quarterly (rather than at the end of each financial year) and/or prior to any withdrawal from BT Super. The first quarterly deduction will be effective 30 September 2010. Note — This does not increase the amount of contributions tax you pay — it simply means we will deduct smaller amounts throughout the year, rather than a lump sum at the end of each financial year.</p>   |
| <b>Unit balances calculated to five decimal places</b>                       | <p>From 1 July 2010, units issued for your BT Super account will be calculated to five decimal places, rather than the current two decimal places.</p>  |
| <b>Correcting transactions from prior financial years</b>                    | <p>From 1 July 2010, we will generally not correct transactions relating to prior financial years where they have been processed in accordance with the instructions we received. However, if we are notified that we have made an error in actioning a transaction request in a previous financial year, we will correct it to ensure you are not disadvantaged.</p> <p>We therefore ask that you review your previous BT Super transactions, either via our secure website, <a href="http://www.bt.com.au">www.bt.com.au</a> or by referencing your Annual Statement, to ensure that your transactions for previous financial years have been processed as per your instructions. If any amendments are required, please ensure you notify us as soon as possible but no later than 15 June 2010.</p> |



#### **For more information**

- **Please contact your plan's financial adviser**
- **You can log on to BT Online [www.bt.com.au](http://www.bt.com.au)**
- **Call the BT Contact Centre on 132 135**
- **Monday to Friday 8.00am to 6.30pm (Sydney time).**

An investment in BT Super or any of its Investment Options is not an investment in, deposit with or any other liability of Westpac Banking Corporation ABN 33 007 457 141 (Westpac) or any other company in the Westpac Group. It is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. The Bank is not the issuer of the product. Neither Westpac nor any other company in the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of this product or any of its Investment Options or any related assets. BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 RSE L0001090 is the Trustee of BT Lifetime Super – Employer Plan ABN 65 890 046 105 RSE R1003901 and issuer of this Notice. The information provided in this Notice is factual only. It does not constitute financial product advice. It does not take into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. Therefore, it is recommended that you seek independent professional advice about any specific circumstances. In this Notice, a term or expression starting with a capital letter which is defined in the PDS has the same meaning given to it in the PDS.

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