



# Health Industry Plan



## HIP Super Pension Product Disclosure Statement

Date of issue: 1 July 2007

ABN 59 006 792 749  
AFSL 247 063  
RSE L0001533  
RSE R1056617

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## Contact HIP

### General enquiries

Phone 1300 654 099  
Fax 02 9375 7884  
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Web [hipsuper.com.au](http://hipsuper.com.au)  
Visit Level 5, Sydney Central  
477 Pitt Street  
Sydney  
Or write to HIP Administration  
Locked Bag 23  
Haymarket NSW 1236

### Trustee office

Phone 02 9375 7757  
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Or write to Health Industry Plan  
PO Box K1038  
Haymarket NSW 1236

### Product Disclosure Statement

This Product Disclosure Statement (PDS) contains important information about investing your superannuation with Health Industry Plan (HIP). It describes the main features and benefits of HIP and can help you compare the features of HIP with other funds. Please read this document carefully.

The information in this booklet is correct at the date of issue, 1 July 2007. Certain information contained in this PDS that is not materially adverse is subject to change from time to time. Updated information can be found on the HIP website, [hipsuper.com.au](http://hipsuper.com.au). If you would prefer a paper copy, at no cost, please contact HIP on 1300 654 099.

### General advice warning

This information is of a general nature. It has been prepared without taking into account your particular investment objectives, circumstances, financial situation or needs. When considering your own objectives you will also need to consider, with the help of a licensed financial adviser, whether the advice is appropriate in light of your particular investment needs, objectives, and financial circumstances. This publication is also not intended to be, and should not be construed in any way as, investment, legal or financial advice.

### The Trustee

This booklet is issued by the Trustee of Health Industry Plan (HIP), Private Hospitals Superannuation Pty Ltd, ABN 59 006 792 749.  
Australian Financial Service Licence (AFSL) 247 063  
RSE Licence Number L0001533  
RSE Registration Number R1056617.

# Welcome to HIP

Health Industry Plan (HIP) is a national superannuation fund established in 1987 for employees working in the health and associated industries. For more than 19 years HIP has continued to build a complete superannuation service for its members.

Features and benefits for you:

- low fees;
- history of strong investment performance;
- investment choice for pension members;
- access to account details via phone or internet; and
- extra member benefits including low cost loans, health insurance, financial planning services, car and computer buying services plus much more.

Most importantly, profits are for members and HIP does not pay any agent commissions. This means that HIP operates solely in the interests of members.

Note: Past investment performance is not necessarily an indicator of future investment performance.

## Managing the Fund in the interest of members

The Trustee, Private Hospitals Superannuation Pty Ltd, manages HIP solely in the interests of members. All earnings after the deduction of tax and costs are held in trust for members.

The Trustee Company has a Board of Directors with an equal number of member and employer representatives. The Trustee Company has two shareholders, the nominee of the NSW Nurses' Association representing members' interests and the nominee of the NSW Private Hospitals Association representing employers' interests. It is the responsibility of the Board of Directors to ensure the Fund is administered properly, that the assets are invested wisely and that members receive their benefit when it is due.

For more information on the current Directors download a copy of the latest HIP Annual Report from [hipsuper.com.au](http://hipsuper.com.au) or phone HIP on 1300 654 099.

## A complying fund

HIP complies with the Superannuation Industry (Supervision) Act 1993 (SIS) and is collectively regulated by the Australian Prudential Regulation Authority (APRA), the Australian Securities and Investments Commission (ASIC), Australian Transaction Reports Analysis Centre (AUSTRAC) and the Australian Taxation Office (ATO).

## The Trust Deed

HIP operates under a legal document called the Trust Deed. This document governs how the Fund operates and what benefits can be paid to members.

## Risk management

HIP has developed a Risk Management Strategy and Risk Management Plan. These operational documents are monitored and reported on to the Trustee Board as an integral part of the overall risk management and corporate governance of the Fund. These documents and policies also form an integral part of the day-to-day operation of the Fund.

## Our professional service providers

To run the HIP, the Board of Directors call on the expertise of independent specialised service providers, which include investment advisers, insurers, administrators and auditors. For more information about HIP's current service providers download a copy of the latest HIP Annual Report from [hipsuper.com.au](http://hipsuper.com.au) or phone 1300 654 099.

## Changes to the PDS

If a material alteration occurs in any statement contained in this PDS, which would make the statement misleading or deceptive, or if there has been any material omission in this PDS, then the PDS will be withdrawn immediately and a new PDS will be issued correcting the statement or omission.

Information contained in this PDS that is not materially adverse may be updated via HIP's web-site or can be provided to you in hardcopy free of charge upon your request by contacting HIP on 1300 654 099.

We may also provide you with information regarding HIP that has been made available to the public, upon request, where reasonably practicable. We will tell you whether there is a charge for providing this information.

Please contact HIP for more information on 1300 654 099.

# About HIP pensions

HIP provides superannuation benefits to members during their employment. HIP also provides pensions to members during their approach to or after their retirement.

## Benefits of the pension division of HIP

The pension division of HIP provides benefits to both you and your dependants. These benefits include:

- pension benefits to pensioner members of HIP; and
- benefits for your family in the event of your death.

## Risks of the pension division of HIP

There are a number of significant risks associated with investments in the pension division of superannuation funds. These include:

- **Market risk:** Various economic, technological, political, legal and social factors have an effect on the value of investment markets and may affect the value of your pension in HIP. The Trustee and HIP's investment managers seek to reduce and manage this market risk through specific investment strategies adopted for each investment option offered by HIP, as described on page 10.
- **Investment risk:** Risks associated with various investments vary and may change. Different asset classes perform differently at different times. For example, things such as a company's internal processes, management and operation may influence the value of shares in individual companies. The Trustee and HIP's investment managers seek to minimise these risks by assessing and analysing information relating to these investments from a number of sources and by diversifying investments across a range of asset classes and investment managers. However, should you leave HIP or withdraw monies within a few years of joining HIP, fluctuations in investment returns may result in you getting back less than you have contributed.
- **Superannuation fund risk:** Risks specific to HIP, as with any other superannuation fund, include the possibility of changes to HIP or its internal operations, such as changes to key staff involved in the management of HIP. The Trustee seeks to minimise this risk by taking into account the best interests of members at all times when making decisions about HIP.
- **Risk of changes in the legal environment:** Superannuation laws, the Corporations Act, Australian taxation laws and other laws affect HIP and HIP's investments. Changes in superannuation laws may affect your ability to access your benefit in HIP. Changes in taxation laws may also affect the value of your benefit.

**Risk can be managed and even minimised but cannot be eliminated. Your investment in a HIP Pension cannot be guaranteed. The value of your investment can rise or fall.**

# About pensions

A HIP Super Pension is an account based pension that allows you to receive your superannuation benefits as an income stream, as opposed to one lump sum payment.

HIP Super Pensions are highly flexible. You can select the frequency of your pension payments as well as the size of the pension payments you wish to receive, above a required minimum amount.

You can commute (end your pension and take the remaining assets as a lump sum) or take a portion of your account balance underlying the pension as a lump sum (partial commutation), at any time.

If you have taken out a pension under the Transition to Retirement rules, you will be unable to commute the pension until you retire (below page for further details). An annual maximum pension amount will also apply.

Upon your death, your HIP Super Pension can be paid to a dependant, or be paid to a non dependant as a lump sum.

The assets supporting your pension can be invested in your chosen investment option. Investment returns will be applied to your pension via the crediting rate, with fees deducted as outlined on page 11.

## Eligibility to commence a Superannuation Pension

To begin a pension you must have access to all or part of your superannuation benefits i.e. you must have satisfied one of the following 'conditions of release'.

### Conditions of release

The following are the conditions of release that allow you to access your superannuation benefits.

- you have reached your preservation age as set out in the table below and permanently retired from the workforce; or

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
After 30 June 1964	60

- you have reached age 60 and terminated your most recent employment; or
- you have reached age 65 and are still working; or
- you have become totally and permanently disabled at any age; or
- you have never participated in the workforce, and are age 65 or over.

### Transition to Retirement Pensions

You can start a Transition to Retirement Pension if you have reached your preservation age, but have not yet fully retired from the workforce.

The conditions surrounding a Transition to Retirement Pension

are the same as those for a HIP Super Pension taken out upon retirement, with the exception of the following additional conditions:

- a maximum of 10% of your account balance can be taken as pension payments in any one year, regardless of age; and
- you are unable to make any partial or lump sum withdrawals from the pension until you satisfy a 'condition of release' such as fully retiring (see above regarding conditions of release).

Once you retire, or satisfy a condition of release, your pension will continue and become a standard HIP Super Pension. The additional restrictions outlined above will no longer apply.

### HIP Super Pension Application Form

To commence a pension, you must complete the 'Pension Application Form' found at the back of this PDS.

This form allows you to:

- provide your personal details;
- select the amount of your pension payments;
- indicate your preferred beneficiaries, and whether or not you would like your pension to revert to a dependant upon your death;
- select an investment option;
- provide your tax file number; and
- provide certain taxation details contained in the ATO withholding declaration form.

### 'Cooling-off' period

You have a 14 day period (a 'cooling-off' period) in which you may cancel your pension and rollover your benefit to another fund. The cooling off period commences from the earlier of the date HIP confirms that your application has been accepted, or five days after the application has been accepted.

Any request to cancel your pension must be in writing. The amount rolled over or paid out of your pension may be adjusted to take into account any variation in the value of the investment and any tax payable by HIP as a result of your holding the pension.

If any of the investments you made to the HIP Pensions were transferred from another complying Superannuation Fund, Approved Deposit Fund or RSA, and were either preserved or restricted non-preserved benefits from the other fund (which means that under Federal Government regulations, they could not be paid out to you but had to be preserved in that fund until some future time), then those amounts can only be repaid to you in cash if you have satisfied a Condition of Release (see above).

### Money you can use to begin your pension

You can begin a pension utilising your account balance already held within HIP and/or you can roll over benefits from another superannuation fund.

If you are eligible, you can also choose to transfer an Employment Termination Payment (ETP) to HIP to begin your pension.

You may also be able to use other amounts such as certain disablement amounts on settlement of a disability claim (outside of superannuation) and proceeds from the sale of a small business to commence your pension. For further information about this,

we recommend you first seek independent financial and taxation advice from a licensed or appropriately authorised financial adviser.

The minimum deposit accepted by HIP to begin a pension is \$25,000

Note: you cannot add additional money to your pension once it has begun. As such, you may need to consolidate your various superannuation account balances and any ETPs you receive, into a single account within HIP, prior to commencing a pension.

## Frequency of pension payments

Upon commencement of your pension, you may select the frequency with which you receive pension payments from the following:

- monthly;
- quarterly;
- half yearly; or
- yearly.

You must receive at least one pension payment per financial year. If, however, you begin a pension after 1 June in any financial year, you can defer the beginning of your pension payments until the next financial year.

You can change the frequency at which you receive your pension payments at any time during the life of your pension.

## How your pension payments are calculated

Each financial year, you are able to select the pension amount that you will receive that year. The amount you receive must be equal to or above a certain prescribed minimum level, based upon your age.

The prescribed minimum levels for the relevant age bands are as follows:

Age	Annual percentage payment amount
Under 65	4
65-74	5
75-79	6
80-84	7
85-89	9
90-94	11
95+	14

Your age is measured on the day on which the pension begins, or 1 July of the relevant financial year (if it is not the first year of your pension).

If your pension does not commence on 1 July, the pension factor is applied proportionally for the number of remaining days in the financial year, in order to determine the minimum pension amount.

Above this minimum amount you can choose to receive any amount in pension payments, up to 100% of your account balance (with the exception of a Transition to Retirement Pension, which is limited to 10% per annum).

### Example:

Your account balance is \$400,000 and you are aged 66 at the beginning of the year.

The minimum pension amount you can elect to take for the years is \$20,000, calculated as follows:

$$5\% \times \$400,000 = \$20,000$$

If you elect to take monthly pension payments each pension payment will be \$1,666 calculated as follows:

$$\$20,000 / 12 = \$1,666$$

Note: if you are under age 60, your pension payments may be subject to tax. See page 14 for further details.

HIP Administration will calculate and advise you of your minimum pension amounts each year, above which you can choose the amount you would like to receive. You can change the amount or apply to take out a lump sum payment at any other time.

## Duration of your pension

The duration of your pension will be determined by a number of factors including:

- the amount of assets with which you started the pension;
- the size of pension payments you receive;
- any lump sum amounts you withdraw from your pension;
- the investment returns your pension account balance earns; and
- any fees, charges and taxes deducted.

Your pension will not continue to be paid for a guaranteed period. It will last only as long as your account balance lasts. As such, it is your responsibility to monitor your pension assets to appropriately fund your retirement.

## Investment of your pension account

The account supporting your pension is invested in your chosen investment option(s). Your account balance will be debited with the amount of the pension payments made to you each year, and with the applicable fees, costs and taxes (see page 11 for further information). Your account balance will be credited or debited with the investment returns earned by your chosen investment option as per the applicable crediting rate (see page 10 for further details).

## Crediting returns to your account

HIP applies investment earnings to your account at 30 June each year via HIP's crediting rate. Investment earnings are calculated annually but apply from your first day of membership.

If you change investment options or leave HIP during the year an interim crediting rate is applied.

## How do I know the value of my pension account?

You will be provided with an 'Annual Member Statement' showing your entitlement in HIP as at HIP's Annual Review Date of 30 June each year.

The information is also available upon request by contacting HIP on 1300 654 099.

## Lump sum commutations

You can elect to withdraw a lump sum from your pension any time that you choose, up to 100% of your account balance. If you have taken out a Transition to Retirement Pension you cannot withdraw a lump sum from your pension until you satisfy a Condition of Release (page 5).

The tax payable in relation to any lump sum commutation will vary depending upon certain factors such as your age (see page 14 for further details).

To make a lump sum withdrawal you can either:

- phone HIP on 1300 654 099 and we will post a withdrawal form for you to complete; or
- download the form from the website.

From 12 December 2007, the Trustee will be required to carry out proof of identity procedures before cashing a superannuation benefit or making pension payments. These requirements arise under the Government's Anti-Money Laundering and Counter Terrorism Financing legislation. We will be required to collect customer identification information and to verify it by reference to a reliable independent source. You will be notified of these procedures when applicable. If you do not provide the information or we are unable to verify the information you have provided, your payment may be delayed.

## What happens to your pension if you die?

### Reversionary pension

You can, if you wish, nominate your spouse as a reversionary beneficiary to continue to receive your pension in the event of your death.

After your death, the pension payments will continue to be received by your spouse and taxed in the same manner as when they were paid to you.

### Non-reversionary pension

Where you do not nominate a reversionary beneficiary in respect of your pension, you may nominate another person to receive your pension after your death.

Where you nominate a dependant the Trustee can continue to pay the pension to your dependant.

Alternatively, a dependant can receive the benefit as a lump sum, where they do not wish to continue to receive the benefit in the form of an income stream.

Any person that is not a dependant that you would like to receive some or all of your benefit upon your death, must receive the benefit as a lump sum. Superannuation pension payments are unable to be paid to a non-dependant.

You can nominate more than one beneficiary, and a combination of a reversionary beneficiary and other beneficiaries if you choose. Different tax consequences may apply depending on the nomination you make and the ultimate recipient of any benefits upon your death.

Refer to page 14 for further information in respect of the taxation consequences of the payment of a death benefit to a dependant or non-dependant beneficiary.

## Beneficiary nominations

You can nominate beneficiaries when you complete the HIP Super Pension Application Form. If you nominate a reversionary beneficiary you must make this nomination at the time you commence your pension. You can also change or update a non-reversionary beneficiary nomination at any time. Should you wish to do this, please contact HIP on 1300 654 099.

Except where you nominate a reversionary beneficiary, the decision as to whom your death benefit is paid lies with the Trustee. Whilst full consideration is given to your wishes in relation to your stated beneficiaries, it is important to realise that, for both legal and practical reasons, the Trustee has absolute discretion as to whom a death benefit is paid. In this regard, the Trustee takes into account your personal circumstances at the time of your death.

It is always advisable to make a will and to ensure you update your will if and as your circumstances change. If you would like to do so, you should consult a solicitor or the office of the Public Trustee.

## Definition of dependant

Under superannuation law a 'dependant' means:

- a person's spouse;
- a child of the person under age 18 years;
- someone who has an interdependent relationship with the person; or
- or anyone who is wholly or partly financially dependent on the person at the time of the person's death.

An 'interdependent' is a person with whom the member has an 'interdependent relationship'. An 'interdependent relationship' applies if two people satisfy each of the following conditions: have a close personal relationship, live together, and one or each of them provides the other with financial and domestic support and personal care.

Note: a different definition of "dependant" applies for taxation purposes. A child aged 18 or more is not a dependant for taxation purposes (unless otherwise financially dependant or an interdependent). This means that while you may nominate an adult child as a beneficiary of your account balance, for tax purposes, the adult child will be treated as a non-dependant. See page 14 for more details. The tax deduction is a child under 18 years.

# Member investment choice

## Your investment options

When you commence a HIP Super Pension, you can choose how the account balance supporting your pension is invested from three investment options; the Growth, Capital Stable or Cash Option.

You are able to choose one of the three investment options or create your own strategy by selecting a combination of the options.

If you do not make a choice, your account balance will automatically be invested in the pension default investment option, the Growth Option.

## Before you make an investment choice

Choosing an investment option can directly impact the value of your pension. Therefore, you should carefully consider the options and their expected performance over time.

Before you make your choice you should think about:

- how long the assets supporting your pension will be invested;
- how comfortable you are with the investment risk;
- the investment return you need or want;
- how long you need your pension to last;
- other investments and savings you may have; and
- how important it is for you to receive consistent returns.

It is important to remember that all investment strategies involve risk. In general, the greater the investment's potential return, the greater the risk associated with the investment. Similarly, lower risk investments usually provide lower returns.

If you leave HIP you may get back less than the amount you paid into HIP. This may be due to the level of investment returns earned and the deduction of tax, fees and costs and pension payments.

Past investment performance is not necessarily an indicator of future investment performance. The Trustee does not guarantee that you will earn any specific rate of return on your investment, or that your investment will gain or retain its value.

Each investment option has a different degree of investment risk and a different expected level of investment earnings. This is because each option is made up of a different mix of growth and defensive assets.

## What are growth assets?

Shares, property and some infrastructure investments are known as growth assets because they offer the greatest potential to increase in value and provide the highest return over the long-term. When you invest in assets that aim to provide higher returns however, you are generally exposed to a higher level of risk. This is because such assets are more volatile, rising and falling in value from year to year, and there is a higher probability of negative returns in some years.

## What are defensive assets?

Fixed interest, cash and some alternative investments are known as defensive assets because compared with shares and property, they generally provide lower, yet more stable returns over the long-term. When you invest in defensive assets you are generally exposed to a lower risk of a negative return in any year because of a lower level of volatility in the returns.

## What is the difference between risk and return?

Investment risk and return go hand-in-hand. Generally, the greater an investment's potential return, the greater the risk. Similarly, lower risk investments usually provide lower returns.

When making an investment choice it is important to balance the risk of short-term ups and downs in the value of your account against the higher benefits that an investment in growth assets may deliver over the long term. It is important to note that high risk investments may produce a negative return.

Each investment option has different investment risk. You may wish to talk with a licensed financial adviser before deciding which investment option best suits you.

## Understanding investment risks

All investments are subject to varying risks and can change in value. There are risks in choosing to invest in superannuation and each investment option has different risk characteristics and volatility. The following investment risks should be taken into account:

- **Inflation risk** Inflation is measured by the Consumer Price Index (CPI). Where the CPI increases, a certain dollar amount has less purchasing power. When an investment provides a lower return than the increase in inflation, it actually loses value in terms of purchasing power. Therefore, if the after-tax return is less than the rate of inflation, there is the risk that the real value of your money will decline.
- **Market risk.** Economic, technological, political and legal conditions, and even market sentiment, can (and do) change. This can mean that changes in the value of investment markets can affect the value of investments in HIP.
- **Interest rate risk.** Changes in interest rates can have a positive or negative effect directly or indirectly on investment value or returns.
- **Investment styles.** When choosing individual fund managers, varying investment styles will perform differently depending on the markets and other factors.
- **Legislation and taxation risk.** The Government may make changes to superannuation law in the future. Such changes may impact some or all aspects of your superannuation savings such as when you can access your super and the tax you would pay on receiving your benefit.

## Understanding asset classes

Each of HIP's investment options has a different investment objective. HIP reduces risk by spreading investments across a range of different investment types, or asset classes. The main asset classes HIP invests in are:

- **Cash.** Invested in short term deposits or bank bills, with interest earned on the cash invested. This is a very stable investment, as the returns are most predictable, however it generally earns the lowest rate of return.
- **Fixed interest.** Common forms include loans to government bodies and companies, either within Australia or internationally. The rate of interest is fixed for a specific time period, although returns may fluctuate if market interest rates vary. This asset class has a moderate level of risk and is expected to produce a moderate rate of return.

- **Property.** Can include investments in office buildings, factories and shopping centres. Property not only generates rental income, but can also increase (or decrease) in value over time. It normally generates better returns than cash or fixed interest, but it can be a more volatile investment and is usually considered a moderate to high-risk investment.
- **Australian and international equities.** Equities (shares) represent ownership, or a share in the company and can be diversified across industries and markets. They provide returns as dividends (income), and offer the potential for profit (or loss) through changes in their price on the share markets. Over the long-term, equities are expected to provide higher returns than cash, fixed interest or property, but there is an associated higher risk, which can result in negative returns from time to time.
- **Alternatives.** Can include a number of growth or defensive style investments, such as hedge funds, private equity and infrastructure. Hedge funds aim to deliver positive returns and preserve capital in a variety of markets, without following traditional benchmarks. Private equity mainly involves investments in companies that are not listed on the stock exchange (unlisted companies). Infrastructure includes roads, airports, ports, power stations, and other important community projects and assets. Alternatives are a moderate to high-risk investment that can produce strong returns, however there is the corresponding higher level of risk.

## Investment advice

HIP's Trustee Directors approach all decisions about investments with careful analysis, research and professional independent advice. They always aim to act in members' best interests. The Trustee closely monitors investment performance throughout the year and engages JANA Investment Advisers to advise the Trustee Directors on the management of funds invested in all options.

JANA Investment Advisers Pty Ltd is licensed by ASIC (AFSL 230 693).

## Socially responsible investments

The Trustee of the Fund does not take into account labour, social, ethical, and/or environmental standards. When considering the selection, retention and realization of investments, these issues may be taken into account – but only where HIP becomes aware that they may affect the financial performance of the investment.

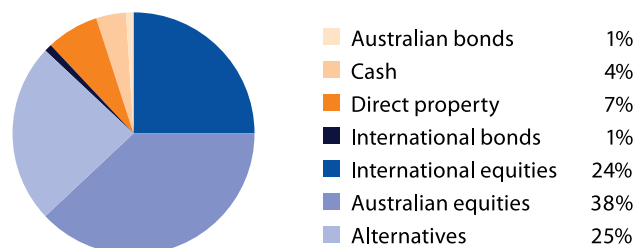
## How to make an investment choice

You can change your investment choice selection at any time during the year. Provided your application is received five working days before the end of the month, your change will be effective from the first day of the new month, or at the start of the following month if you miss the deadline. The first change in any financial year is free of charge, with each additional change costing \$20.

# Your investment options

## Growth Option (default)

### Asset allocation\* as at 30 June 2007<sup>2</sup>



### Objective

To provide members with long-term growth of their superannuation and to achieve investment returns that exceed inflation<sup>1</sup> by at least 3.5% per year over most rolling five year periods.

### Strategy

The portfolio invests mostly in growth assets, with a small amount in defensive assets (85% growth assets/15% defensive). It is designed for members who are seeking a high level of growth over the long-term and are willing to accept a higher risk of negative returns in some years.

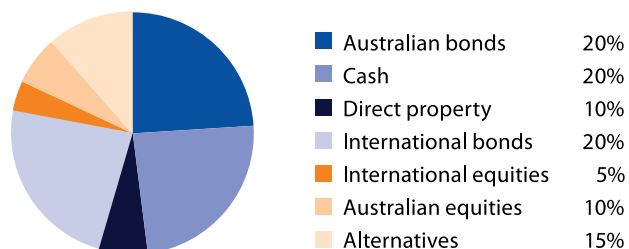
### Risk

The likelihood of a negative return is no more than 9 years in 35 years.

\* A 5% tolerance in each asset class is allowed.

## Capital Stable Option

### Asset allocation\* as at 30 June 2007<sup>2</sup>



### Objective

To provide members with consistent returns, reduced volatility and some capital growth, and to achieve investment returns that exceed inflation<sup>1</sup> by at least 1% per year over most rolling three-year periods.

### Strategy

The portfolio has a higher allocation to defensive assets with a smaller investment in growth assets (30% growth/ 70% defensive). It is designed for members who are wanting a stable investment with some growth assets and a small chance of a negative return.

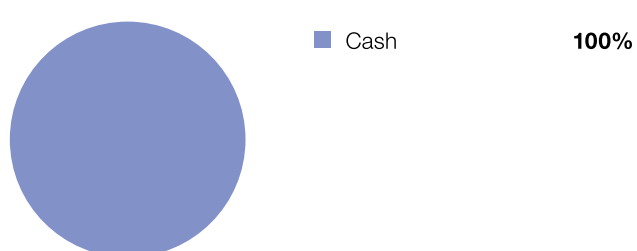
### Risk

The likelihood of a negative return is no more than 3 years in 35 years.

\* A 5% tolerance in each asset class is allowed.

## Cash Option

### Amount invested at 30 June 2007<sup>2</sup>



### Objective

To achieve a return that is at least as good as bank deposit rates (after adjustment for fees and taxes) and to achieve investment returns that exceeds inflation<sup>1</sup> by at least 1% over most one-year periods.

### Strategy

This investment option is totally invested in cash (100% defensive). It is designed for members who have a short investment timeframe or low tolerance to investment risk or volatility.

### Risk

This option is not expected to produce a negative return (please note that this is not guaranteed).

## Strong long-term investment returns<sup>3</sup>

Rolling crediting rates <sup>4</sup>	1 Year to 31 May 2007 (%)	2 Years to 31 May 2007 (%)	3 Years to 31 May 2007 (%)	4 Years to 31 May 2007 (%)	5 Years to 31 May 2007 (%)
Growth Option	19.5	18.2	16.6	15.2	10.6
Capital Stable	9.3	8.5	8.7	8.1	7.2
Cash Option	5.4	5.1	4.9	4.9	n/a

### Important notes:

- As measured by the movement of the CPI.
- The actual mix may vary from time to time within the percentage ranges set by the Trustee.
- Past performance is not an indicator of future performance. The performance of these investments is not guaranteed and the value of the investment can rise or fall.
- These historical returns reflect the performance of these options, which are also available in the Superannuation Division of the Fund, after taking into account tax on investment earnings applicable to the Superannuation Division. This tax does not apply to the pension division. As such, the historical returns in respect of the pension division of the Fund could be expected to be slightly higher than those noted above, given the different tax treatment afforded to the pension division of the Fund.

# Fees and other costs

## Fees and other costs

The below statement is information required to be provided in this PDS under Government Regulations. Complete information regarding the fees charged by the Plan can be found on pages 11 to 13.

### Consumer Advisory Warning

#### 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 fund 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 may be able to negotiate to pay lower contribution fees and management fees where applicable. Ask the fund or your financial adviser.**

#### TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([fido.asic.gov.au](http://fido.asic.gov.au)) has a superannuation fee calculator to help you check out different fee options.

### **Please note that the fees for HIP Pensions cannot be negotiated.**

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your account, from the returns on your investment or from HIP assets as a whole.

Taxes are detailed in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

**Type of fee or cost****Amount****How and when paid****Fees when your money moves in or out of HIP (Note: none of the fees of HIP are negotiable)**

Establishment Fee The fee to open your investment	Nil	Not applicable
Contribution Fee The fee on each amount contributed to your investment – either by you or your employer.	Nil	Not applicable
Withdrawal Fee The fee charged for each partial or full commutation	Nil	Not applicable
Pension Payment Fee The fee charged for each pension payment.	Nil	Not applicable
Termination Fee The fee to close your investment.	Nil	Not applicable
Management Costs The fees and costs for managing your investment.	Asset fee: First \$500,000 - 0.45% Over \$500,000 to \$1m - 0.35% Over \$1m to \$1.5m - 0.25% Over \$1.5m - Nil Plus	Asset fee deducted from members accounts annually at 30 June or on a pro-rata basis upon exit from HIP.
	Investment Management Fee Growth Option 0.99% Capital Stable Option 0.53% Cash Option 0.21%	

**Service Fees**

Investment Switching Fee The fee for changing investment options.	First switch each year free, then \$20 per each additional switch	Deducted from your account in the month when a switch is performed.
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The above fee is an estimate only based on the 2005/06 financial year. The actual fees deducted from your accounts may vary from year to year.

Additional service fees may apply. See the "Additional explanation of fees and costs" section on page 13.

**Additional explanation of fee and costs**

Family Law splitting and flagging fees* These fees are charged at the time that requests for information or splitting and flagging requests are made.	Process an information application \$100 Process payment splits \$72	The fee for information requests is charged to the individual making the request and payable via cheque. Fees relating to splitting are deducted from the benefit at the time of processing the request (For further detail see the additional explanation below).
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**Asset Fee**

The asset fee depends upon your account balance in the Fund. The fees are as follows:

The asset fee covers the remainder of the costs of the administration of the Fund.

Assets	Fee
First \$500,000	0.45%
Over \$500,000 to \$1m	0.35%
Over \$1m to \$1.5m	0.25%
Over \$1.5m	Nil

The asset fee is deducted from member's accounts each 30 June or on a pro-rata basis upon exit from the Fund. The asset fee covers the remainder of the costs of the administration of the Fund.

## Investment management fee

The investment management fee is the fee charged by the investment managers to HIP. Those investment costs vary from year to year. The rates shown below are based on investment costs for the 2005/2006 financial year. Each of the managers utilised by HIP charges an asset-based fee and the combination of these fees gives HIP's investment management fees as outlined below:

Options	Fee	Example
Growth Option	0.99%	\$99 per \$10,000
Capital Stable Option	0.53%	\$53 per \$10,000
Cash Option	0.21%	\$21 per \$10,000

The fees charged by the investment managers are deducted from the gross investment earnings of HIP prior to these being credited to your account and are not a direct deduction from your account.

## Performance fees

HIP pays performance fees to some investment managers, when the manager's returns exceed agreed targets. Any performance fees paid by the Fund to investment managers are included in the investment management cost and deducted from the earnings of the Fund before interest is credited to members.

## Fees relating to splitting or flagging a benefit upon marriage breakdown

The following fees will be charged in relation to processing requests for information under the Family Law Act and splitting of benefits in the event of marriage breakdown:

Request	Fee*
Processing an application for information	\$100
Processing payment splits	\$72

The fee for processing an application for information is payable by the person who requests the information at the time that a request is made. The fees in relation to processing a payment split will be deducted from the members' account when the split is processed.

For further information regarding splitting of Fund benefits upon marriage breakdown see page 17, or contact on 1300 654 099

## Changes to fees and charges

The Trustee may change the fees charged to members' accounts, for example to reflect changes in the underlying costs of operating Fund.

The Trustee will advise you of any increases to the fees charged to your accounts, at least 30 days prior to the effective date of the change.

## Taxation in respect of fees and charges

The benefit of any tax rebate and reduced input tax credits in respect of GST are credited back to the assets of HIP for the benefit of members. All fees shown in the PDS are, where applicable, shown inclusive of GST (less reduced input tax credits), and stamp duty.

Please refer to page 14 for information regarding the applicable taxation of pensions.

## Example of annual fees and costs for the Growth investment option

This table gives an example of how the fees and costs for this product can affect your pension over a 1-year period. You should use this table to compare this product with other superannuation products.

Example – the Growth Option		Balance of \$50,000
Contribution fees	Nil	Not applicable
Management costs	0.45% (Asset fee) +	And, for every \$50,000 you have in the Fund you will be charged \$720 a year.
Equals Cost of Fund	0.99% (Investment Management fee)	If your balance was \$50,000 then for that year, you will be charged fees of \$720
		What it costs you will depend on the investment option you choose and the fee you negotiate with your fund or financial adviser.
*The fee shown is an estimate only and is deducted from gross investment earnings prior to crediting to members accounts i.e. this fee is not deducted directly from your account. The actual fee charged may vary. Additional fees may apply. See the 'Additional explanation of fees and costs' section of page 12 for further information.		

Please Note: The figures shown above are those incurred by a member with a \$50,000 account balance. If your account balance is less than \$50,000, then your fees and other costs will be less than those illustrated. Fees and costs are not negotiable.

# Taxation

General information regarding the taxation of pensions is contained in this section. However, you should seek professional taxation advice regarding your own circumstances.

## Tax upon rollover into a pension

As the transfer of a benefit from the superannuation division of HIP to the pension division is treated as a rollover, no tax is deducted at the time your benefit is transferred into the pension division. This will generally also apply to rollovers from another superannuation fund.

As such, the purchase price of your pension will be the same as the amount that you initially rolled over or contributed to fund your pension.

## Tax on assets supporting the pension

Under government regulations, the investment earnings on the assets supporting a pension are completely tax-free, such that the full amount earned on these assets (less any applicable investment and administration fees) will be credited to your pension account in HIP.

## Tax in relation to pension payments

Your pension is divided into two components, a taxable component and tax free component.

In general the tax free component will consist of any non concessional (after tax) contributions, any "Pre July 1983" component and the proceeds of any disability payments.

The taxable component will generally consist of the Post June 1983 amount and any remaining components.

Each pension payment you receive will be proportionately split between the taxable and tax free of your benefit, based upon this proportion at the time you purchased the pension.

If you have more than one pension, these components are calculated separately and they may be different from one pension to the next.

The taxation of pension payments will depend upon your age at the time you receive the pension payment and in particular, whether you are over or under the age of 60.

Note: Higher taxes may also apply if HIP does not hold your tax file number.

### Pension payments received when you are over the age of 60

If you are over the age of 60, no tax is payable in relation to the pension payments you receive. In addition, you do not need to include your pension income in your tax return, as this does not count toward your assessable income for tax purposes.

### Pension payments received when you are under the age of 60

The exempt component is paid tax free, regardless of your age, so that no tax is deducted in respect of this component.

If you are over your preservation age (refer to the table on page 5), the taxable component within each pension payment will be taxed at your marginal rate, plus the medicare levy. You are able to further reduce the tax you pay on your pension by claiming the Superannuation Pension offset (also known as the pension rebate) of 15%. If you are aged less than your relevant preservation age, the taxable component of each pension payment will be taxed

at your marginal tax rate, plus the medicare levy. In this instance, however, no tax rebate is available.

The full amount of the pension payments received should be included in your tax return.

## Tax in relation to lump sum commutations

Any lump sum commutations or withdrawals made from your pension will be taxed as lump sum superannuation benefits and will be split into the taxable and tax free component.

The tax free component is always received tax free. The tax in relation to the taxable component depends upon your age.

Over the age of 60, you pay no tax in relation to lump sum commutations. In addition, you do not need to include the lump sum amount in your tax return if you are over the age of 60.

Under the age of 60, as with regular pension payments, the tax free component of the amount you withdraw is received tax free.

In relation to the taxable component, if you are between your preservation age and age 60, the first \$140,000 of the taxable component you withdraw will be tax free. Any amount withdrawn above \$140,000 will be taxed at 15% plus medicare levy.

If you are aged less than your relevant preservation age, the entire taxable component will be taxed 20%, plus the medicare levy.

Note: Higher taxes may apply if HIP does not hold your tax file number.

## Taxation of death benefits

The manner in which benefits paid as a result of your death are taxed depends upon the ultimate recipient of the benefit and, in particular, whether they are considered a dependant or a non-dependant.

### Benefits paid to dependants

Dependants can receive a death benefit as a pension or as a lump sum. If a dependant receives a lump sum death benefit it is received tax free, regardless of the age of the deceased or the dependant. The amount does not need to be included in the recipient's tax return.

If a dependant receives a benefit as a pension, the tax paid depends upon the age of the deceased at the date of death and the recipients' age.

Where the deceased was over age 60 at the time of death, the pension payments will be received by the dependant tax free. The pension payments do not need to be included in the recipient's tax return.

Where the deceased was under age 60 at the time of death, the pension payments will be taxed according to the recipient's age as outlined above, until such time as the recipient turns 60, at which time the payments will become tax free. Under the age of 60, the pension payments will need to be included in the recipient's tax return.

### Benefits paid to non-dependants

Only lump sum benefits can be paid to non-dependants. Any taxable component of the benefit will be taxed at 15% plus the medicare levy. The exempt component will be received tax free. The full amount of the benefit should be included in the recipient's tax return.

## Benefits paid to estate or legal personal representative

Where a death benefit is received by the legal personal representative of a deceased estate, tax is determined according to who is intended to benefit from the estate. So, if a dependant of the deceased is expected to receive part of the death benefit from the estate as a lump sum that part of the benefit will be tax free (i.e. as if it were paid to a dependant).

If a non-dependant is expected to receive part of the death benefit from the estate, that part of the benefit will be taxed as if it were paid to a non-dependant. No further tax is payable when the benefit is actually received by the beneficiaries of the estate. The ATO will work out the amount of tax payable.

## Superannuation Pensions and social security benefits

The information that follows is of a general nature only. For more detailed information about Social Security laws and how they apply to you, contact Centrelink or seek independent financial and taxation advice from a licensed or appropriately authorised financial adviser.

Centrelink applies two tests for the purpose of assessing an individual's eligibility to receive the Age Pension—an assets test and an income test.

For the Social Security assets test, 100 per cent of the purchase price (the amount of money you use to start your pension) is assessable.

For the Social Security income test, 100 per cent of the gross amount of the pension payments received in a year less any Social Security deductible amount (if you are under the age of 60), is assessable. The Social Security deductible amount is the tax free component of your pension divided by your life expectancy (as specified in relevant legislation).

Note: There will be a change to the assets test taper rate for the Age Pension and other social security purposes, effective 20 September 2007. Recipients of the Centrelink Age Pension will only lose \$1.50 per fortnight (not \$3 under the current rules) of their Age Pension for every \$1,000 of assets above the threshold of \$161,500 for a single person who is a homeowner or \$229,000 for a home owning couple. This may provide access to the aged pension for people who are currently ineligible. For more information about this speak to an appropriately qualified adviser or Centrelink.

## Tax File Number ("TFN") notification

The collection of TFNs by the Trustee is authorised by tax laws, the Superannuation Industry (Supervision) Act 1993 and the Privacy Act 1988.

By completing the membership application form and providing your TFN to HIP you are allowing the HIP Trustee to use your TFN for the purposes contained in the Superannuation Industry (Supervision) Act 1993 and for the purpose of paying benefits.

The purposes currently authorised include:

- taxing benefits and pension payments at concessional rates;
- finding and amalgamating your superannuation benefits where insufficient information is available;
- passing your tax file number to the Australian Taxation Office (ATO) where you receive a benefit or have unclaimed

superannuation money after reaching the aged pension age; and

- allowing the trustee of your superannuation fund to provide your tax file number to a superannuation fund receiving any benefits you may transfer. The trustee won't pass your tax file number to any other fund if you tell the trustee in writing that you don't want them to pass it on.

You are not required to provide your TFN. Declining to quote your TFN is not an offence.

However, if you do not provide your TFN:

- you may pay more tax on your superannuation benefits than you have to (you will get this back at the end of the financial year in your income tax assessment); and
- it may be more difficult to find your superannuation benefits if you change address without notifying your fund.

The lawful purposes for which your TFN can be used and the consequences of not quoting your TFN may change in future, as a result of legislative change.

For more information, please contact HIP on 1300 654 099 or the ATO Superannuation Helpline 13 10 20.

# Extra benefits for HIP members

HIP members are able to access a variety of products and services at special rates through our Affinity Programs.

## Manchester Unity Health Insurance

HIP is excited to offer members the very best in private health insurance. We have selected an Australian owned health insurer, Manchester Unity as our preferred private health insurance provider.

As a mutual, Manchester Unity is owned by its members and so we are confident that you will receive more value for your money. Their extensive range of Hospital and Extras covers will ensure that you will have the right health cover at every stage of your life.

Manchester Unity rewards members for their loyalty with Health Dollars, which can be used to top up extras benefits or reduce any Hospital excess payments. Manchester Unity also offers a free online health management program for members, it will allow you to receive a full health assessment. It will also assist HIP in the assessment of tailored diets, weight loss and fitness programs.

Contact Manchester Unity on 1800 622 559 or email [hip@manchesterunity.com.au](mailto:hip@manchesterunity.com.au).

## Switzer Financial Services

Switzer Financial Services provide high quality financial planning and are a true fee for service provider. They do not receive any commissions or charge percentage fees, with their first consultation being free. Switzer Financial Services provide special rates for limited advice, as well as seminars and newsletter articles from Peter Switzer himself.

Contact Switzer Financial Services on 1300 SWITZER (794 8937) or visit [financial.switzer.com.au](http://financial.switzer.com.au).

## Premier One Mortgage Advice

HIP has established a partnership with Premier One Mortgage Advice to provide competitive home loan rates available to our members. Premier One will manage the entire loan and settlement process after a detailed needs analysis has been completed.

Contact HIP on 1300 654 099 to be referred to a Premier One Mortgage Advice consultant.

## CarNet

Carnet offers Australia's largest range of ex-Government and Corporate Fleet vehicles and competitive pricing and finance on new Mitsubishi, Honda, Kia and passenger vehicles. If you're looking for a budget vehicle, visit our Auto Group auction network with outlets in Sydney, Brisbane, Melbourne, Adelaide, Perth and Gosford. Just follow the links from [carnet.com.au](http://carnet.com.au).

## Virtual Communities

At any stage of your life, it is almost essential these days to have a PC and be connected to the internet. Whether you have children studying, want to access information, shop, bank, the internet opens up a whole new world. However, for most of us, buying a PC is still a major commitment. We can help. HIP has teamed with Virtual Communities, to let you buy a computer and internet package at discounted prices. Virtual Communities will even deliver and install your PC. You can contact Virtual Communities on 1300 131 789.

Disclaimer: These products and services are offered to HIP members through external service providers and are separate to HIP. Any contractual arrangements or obligations are directly between you and the service provider.

## Enquiries and complaints procedure

The Superannuation Industry (Supervision) Act, 1993 ('SIS') requires the Trustee to take all reasonable steps to ensure that there are arrangements in place under which:

- members or their beneficiaries have the right to enquire into, or complain about, the operation or management of HIP; and
- those enquiries or complaints will be properly considered and dealt with within 90 days.

It is important to distinguish between enquiries and complaints. Enquiries are requests for information about HIP or your benefits. Complaints are expressions of dissatisfaction.

## Enquiries

If you have an enquiry regarding HIP, you should contact HIP on 1300 654 099. Enquiries can be made by phone or in writing. If you do not receive a satisfactory response within 28 days, you should immediately contact the Trustee (see next section for contact details).

## Complaints

Complaints must be made in writing to HIP, which will ensure that all complaints are answered within 90 days.

The contact details for complaints to the Trustee are:

### Trustee

**Health Industry Plan  
PO Box K1038  
Haymarket NSW 1236  
Fax: (02) 9375 7758**

## Superannuation Complaints Tribunal

If you are not satisfied with the Trustee's handling of your complaint or their decision, you may contact the Superannuation Complaints Tribunal. The Tribunal is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain types of complaints with fund trustees.

The Tribunal may be able to assist you to resolve your complaint, but only if you are not satisfied with the response received from the Trustee's handling of your complaint. If the Tribunal accepts your complaint, it may attempt to resolve the matter through conciliation, which involves assisting you and HIP to come to a mutual agreement. If conciliation is unsuccessful, the complaint is referred to the Tribunal for a determination which is binding. You should be aware, however, that a party may appeal a decision of the Tribunal to the Federal Court.

If you wish to find out whether the Tribunal can handle your complaint and the type of information you would need to provide, phone the following number for the cost of a local call anywhere in Australia: 1800 780 808.

## Changes to HIP

Whilst it is the Trustee's intention that HIP continues indefinitely, circumstances may arise that would necessitate amendment or even termination of HIP. Any amendment or termination cannot adversely affect the benefits accrued for each member up to the date of amendment/termination without the consent of members.

## Splitting superannuation upon marriage breakdown

Effective from 28 December 2002, amendments made to the Family Law Act allow superannuation to be treated as property when deciding a financial settlement in the event of marriage breakdown.

You can enquire about your benefit in HIP for the purposes of considering a financial settlement in the event of a marriage breakdown.

Provided certain requirements are met, your spouse can also enquire about your superannuation. Your spouse may request information from HIP regarding your benefits in HIP, without your knowledge or consent. The Trustee is restricted by legislation from informing you about such an enquiry from your spouse.

As part of a financial settlement in the event of a marriage breakdown, your benefit in HIP can be split between you and your spouse. This must be by instruction to the Trustee via a 'Superannuation Agreement' between you and your spouse or by a Court Order.

## Borrowing against your benefit in HIP

It is not possible to borrow from HIP or to apply your benefit in HIP as security for a loan.

## Privacy

This privacy statement relates to the collection, use, storage and disclosure of personal information about you in all communications with the Trustee.

The Trustee collects personal information about you to:

- process your enrolment in HIP (in accordance with the Superannuation Industry (Supervision) Act 1993);
- administer and manage your participation in HIP and communicate with you about HIP;
- provide you with information about other products or services that may be of assistance to you; and
- facilitate our internal business operations, including fulfilment of any legal requirements.

If you do not provide the personal information sought from time to time, it may mean that your enrolment in HIP cannot be processed or that services cannot be provided to you.

The Trustee may disclose your personal information (as necessary):

- to its agents, contractors or third party service providers that provide financial, administrative or other services in connection with the operation of HIP or its business, for example where a fund administrator is appointed;
- to your financial advisor, or sponsoring employer, if any, unless you tell us not to;
- to any new Trustee as may be appointed from time to time;
- to any party which holds amounts on your behalf which will be transferred to HIP; and
- where the law requires or permits us to do so (e.g. to law enforcement agencies) or if you consent.

By completing the 'Pension Application Form', you agree to the Trustee collecting, using, storing and disclosing personal information about you in accordance with this privacy statement.

## Access to information

Under privacy laws, you are entitled to request access to personal information held by the Trustee about you and to ask the Trustee to correct this information where you believe it is incorrect or out of date.

No fee will be charged for an access request. You may be charged the reasonable expenses incurred in giving you any information you have requested (e.g. searching and photocopying costs).

To access personal information about you or to obtain more information about your rights or our privacy policy, please contact HIP on 1300 654 099.

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# Health Industry Plan Pension Application Form

## 1. Applicant Details

Title      Mr       Mrs       Miss       Ms

Surname     

Given name(s)     

Postal Address        
      State       Postcode

Phone (business)       Phone (home)

Phone (mobile)

Date of Birth       -  -       Email

## 2. Pension type (select one option)

### Superannuation Pension

To be eligible you must meet one of the following conditions of release (tick one box)

- I am over my preservation age and am permanently retired from the workforce
- I am over age 65

### Transition to Retirement Pension

To be eligible you must meet the following condition (tick one box)

- I am over my preservation age

## 3. Pension payment frequency

Monthly       Quarterly       Half-yearly       Yearly

If you do not nominate the frequency of your income payments, your income will be paid annually in the month of June, unless you advise us in writing to the contrary. Your payment instructions will remain in place, until you advise us - in writing - to change them.

Please note: If you invest between 1 June and 30 June, the minimum amount we must pay you in that year is zero. You may choose not to receive a payment until the next financial year.

## 4. Pension payment amount

**Pension payment amount per annum \$**  (this amount will be divided by your payment frequency)

I confirm that the above annual amount is above the minimum amount required, based upon my age (as outlined on page 6 of the PDS) and this amount is under the maximum 10% if I am taking out a Transition to Retirement Pension.

### Please pay my HIP Super Pension as follows:

Name of Bank/Building Society/Credit Union	
Branch Address	
Account Name	
Branch Number (BSB)	
Account Number	



# Withholding declaration form

PAYER'S COPY

Complete this declaration to authorise your payer to adjust the amount withheld from payments made to you.

You must provide, or have previously provided, your payer with a completed Tax file number declaration (NAT 3092) (or Employment declaration or Annuity and superannuation pension declaration completed before 1 July 2000), quoting your tax file number or claiming an exemption from quoting it, before you can make a Withholding declaration.

 The information in the completed Withholding declaration form must be treated in confidence.

- ? Read the instructions before completing this declaration.
- ? Print neatly in BLOCK LETTERS and use a BLACK or DARK BLUE pen.
- ? Print  in the appropriate boxes.

## Section A: Payee's declaration

 To be completed by payee .

1 What is your name? Title: Mr  Mrs  Miss  Ms  Other


Family name

Given names

2 What is your date of birth? / /

Day                  Month                  Year

3 What is your tax file number (TFN)?

 See 'Privacy of information' on the inside front cover of the instructions.

If you have not provided your TFN, indicate if any of the following reasons apply:

- I have lodged a TFN application.       I am claiming an exemption because I am a pensioner.       I am claiming an exemption because I am under 18 years of age and do not earn enough to pay tax.

4 Do you authorise your payer to give your TFN to the trustee of your superannuation fund or retirement savings account provider? Yes  No

5 Are you an Australian resident for tax purposes? Yes  No  You must answer 'No' at questions 6 and 9 (unless you are entitled to a zone or overseas forces tax offset). You must also answer 'No' at question 10.

6 Are you claiming, or do you want to claim the tax-free threshold from this payer? Yes  No  You must answer 'No' at questions 8, 9 and 10.

7 (a) Do you have an accumulated Higher Education Loan Programme (HELP) debt? Yes  No

(b) Do you have an accumulated Financial Supplement debt? Yes  No

8 Do you want to receive or vary family tax benefit by reducing the amount withheld from payments made to you? Yes  No  You must answer 'No' if you (or your spouse) are receiving fortnightly payments from the Family Assistance Office.

Insert the estimated family tax benefit amount you have calculated using the family tax benefit worksheet.  \$ ,

9 Do you want to claim or vary your dependent spouse, zone, overseas forces or special tax offset by reducing the amount withheld from payments made to you? Yes  No

Insert your estimated total tax offset amount from table J on page 16.  \$ ,

10 Do you want to claim the senior Australians tax offset by reducing the amount withheld from payments made to you? Yes  No

Are you:  Single       A member of an illness-separated couple       A member of a couple

IN-CONFIDENCE – when completed

11 Do you want to increase the rate or amount withheld from payments made to you?

Yes  No

As stated in the Upwards variation agreement, I elect that my payer will:

(a) withhold amounts from payments made to me at the rate of

OR

(b) increase the amount that would otherwise be withheld by \$ .XX per payment.

This applies to payments made to me from the / /  pay period.

I understand that the varied rate or increased amount will apply only to the payments made to me starting from the date indicated above, when it results in a higher amount being withheld than would otherwise apply under the PAYG withholding tax tables or by regulation for the relevant withholding event.

DECLARATION BY PAYEE

I declare that the information I have given on this form is true and correct.

Signature of payee

Date / /

There are penalties for deliberately making a false or misleading statement.

Section B: Payer's declaration

The information in the completed Withholding declaration form must be treated in confidence.

To be completed by payer.

YOUR DETAILS

1 What is your Australian business number (ABN) (or your withholding payer number if you are not in business)?

2 What is your registered business name or trading name (or your individual name if you are not in business)?

HOW MUCH SHOULD YOU WITHHOLD?

The payee's answers to questions 5 and 6 will indicate which of the weekly, fortnightly or monthly tax tables you should use as the base rate of withholding.

A 'Yes' answer at question 7 will require an amount to be withheld as specified in the HELP tax tables or Student Financial Supplement Scheme tax tables.

A 'Yes' answer at question 9 or 10 will generally require a variation of the rate of withholding specified in the tax tables.

A 'Yes' answer at question 11 may require a higher rate or amount of withholding than may otherwise apply under the PAYG withholding tax tables or by regulation for the relevant withholding event.

WITHHOLDING AGREEMENT

As elected by my payee, I agree to:

(a) withhold amounts from payments made to them at the rate of

OR

(b) increase the amount that would otherwise be withheld by \$ .XX per payment.

This applies to payments made from the / /  pay period.

DECLARATION BY PAYER

I declare that the information I have given on this form is true and correct.

I agree to increase the amount withheld from payments made, as indicated at either (a) or (b).

Signature of payer

Date / /

There are penalties for deliberately making a false or misleading statement.

WRITTEN NOTICE

This declaration will constitute written notice under section 15-15 of Schedule 1 to the Taxation Administration Act 1953 of the Commissioner's approval to vary the amount required to be withheld where:

- the payments specified in section B, at (a) or (b) in the form, are covered by Subdivision 12-B, 12-C or 12-D in Schedule 1 to the Taxation Administration Act 1953
- the payee has notified the payer of the varied rate of withholding in writing on this approved form at section A, and
- the varied rate or increased amount of withholding results in a higher amount of withholding than would otherwise apply under the PAYG withholding tax tables or by regulation for the relevant withholding event, or
- the rate of withholding indicated by the payee results in a lesser amount of withholding than would otherwise apply under the PAYG withholding tax tables or by regulation for the relevant withholding event (then the latter rate applies), and
- the payee has given a completed Tax file number declaration (or Employment declaration or Annuity and superannuation pension declaration) to the payer, or they have entered into a voluntary agreement with the payer.

STORING AND DISPOSING OF WITHHOLDING DECLARATIONS

The information in the completed Withholding declaration form must be treated in confidence. Once you have completed, signed and dated the agreement and declaration, give the agreement to the payee for their records and file the declaration form. Do not send it to the Tax Office.

Under the TFN guidelines in the Privacy Act 1988, you must use secure methods when storing and disposing of TFN information. Under tax laws, if a payee submits a new Withholding declaration or leaves your employment, you must still keep this declaration for the current and next financial year.

Do not send this declaration form to the Tax Office.

Return the completed, signed and dated application to: HIP Administration, Locked Bag 23, Haymarket NSW 1236

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# HIP contact details

## **HIP Contact details**

Phone: 1300 654 099

Monday to Friday 8am to 7pm (EST)

Fax: (02) 9375 7884

Email: [hipsuper@superpartners.com.au](mailto:hipsuper@superpartners.com.au)

## **Write to us at**

Health Industry Plan (HIP)

Locked Bag 23

Haymarket NSW 1236

## **Or visit**

Level 5, Sydney Central

477 Pitt Street

Sydney NSW

Visit our website [hipsuper.com.au](http://hipsuper.com.au)