



# Operational information

This Fact Sheet is dated 1 July 2010 and incorporates by reference additional information into the Rollover and Account-Based Pension Plan PDS dated 1 July 2010.

## Regular reports on your investment

### Member statements

These are issued quarterly and will show the balance of your account as at the statement date, provide information on net investment earnings and a list of all transactions that have taken place during the period.

### Annual Report

Local Government Super provides members with the Annual Report which provides information on the management and financial condition of LGS including its investment performance and it is available on the website. Alternatively members can contact Member Services to request a free copy.

## Unit pricing

The value of your account is expressed in terms of units. When money is allocated to your account, units in a selected investment are issued to you. The number of units purchased is dependant on the unit price for that day and the amount allocated to your account.

The unit price is the net asset value of the investment on a particular Business Day divided by the total number of units on issue on that particular Business Day. The net asset value is the valuation of assets and liabilities (including indirect management costs) determined by the market price at a valuation point after allowing for transaction costs and the deduction of taxation and expenses.

Unit prices are calculated and declared for each business day, provided that all relevant information is available to the Trustee to make the declaration. There may be times when unit prices cannot be issued and payments are temporarily suspended. This may occur in times of extreme market volatility caused by political, financial year end, economic or any other crisis.

If this were to occur, an interim valuation method may be applied or payments suspended for a period of time.

**Note:** A Business Day is a day that the Australian Stock Exchange (i.e. both SEATS [Stock Exchange Automated Trading System] and DTF [Derivatives Trading Facility]) is open for trading in Australia.

## Reserves

Local Government Super operates the following reserves in Pool A:

### Operational Risk Reserve (ORR)

The ORR operates principally to meet any remaining self insured death/invalidity claims within Pool A and generally to protect LGS from other contingent events or the need for capital expenditure. A specific amount of \$100,000 is also maintained in the ORR at all times to satisfy one of the requirements of the Trustee's public offer licence.

The ORR may also hold a reserve up to a maximum of 0.3% of Local Government Super's assets for the purpose of reimbursing members disadvantaged by an error or anomaly to the unit price allocated to them where such amount cannot be recovered from external sources.

### Administration and tax reserves

Deductions are made from members' accounts and investment earnings to pay for Local Government Super's income tax liabilities and operational expenses. The administration and tax reserves are invested in cash and apply towards the expenses they relate to as and when they become payable. Further information is disclosed in the Annual Report.



## Investment of Reserves

The assets which support these reserves are held effectively in cash, either in a bank account, a cash management account or as a cash investment in a unit trust.

## What is an Employment Termination Payment?

This is a general summary of the law as it relates to Employment Termination Payments. An Employment Termination Payment is a lump sum payment made to a person in consequence of their termination of employment and can include amounts in respect of:

- Unused rostered days off.
- Amounts in lieu of notice.
- A gratuity or 'golden handshake'.
- An employee's invalidity (permanent disability, other than compensation for personal injury).
- Certain payments after the death of an employee.

A payment in respect of unused annual leave or unused long service is not an Employment Termination Payment.

These payments will no longer be able to be rolled over into super. However, there are transitional arrangements for Employment Termination Payments that were specified in existing contracts of employment as at 9 May 2006, provided payment is made by 30 June 2012. Under these transitional arrangements you will be able to rollover your payment into super (provided payment is made by 30 June 2012).

## Family Law Act

The Family Law provisions are complex and you should seek independent legal and financial planning advice with respect to your personal situation. Please note that for Family Law purposes, the term "spouse" refers to the legally married spouse of a member, de facto spouses and a same sex partner.

## Anti-Money Laundering and Counter-Terrorism Financing

The Trustee does not accept cash nor does the Trustee make payments to third parties unless authorised to do so by the regulator, Court or the law.

To meet its legal obligations and to manage its money laundering and terrorism financing risks, the Trustee must be reasonably satisfied that you are who you say you are, especially when you request any type of withdrawal from your account. This is in addition to the Trustee business requirements to be satisfied that you are the owner of your account and that the instruction the Trustee has received is valid.

At a minimum, the Trustee must verify your full name and date of birth, especially when you request any type of withdrawal. The Trustee may seek additional information to meet its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act.

Additionally, the Trustee is required to monitor your transactions for the purpose of identifying, having regard to money laundering or terrorism financing risk, any transaction that appears to be suspicious within the terms of the legislation. Suspicious matters includes suspicions about your identity, tax evasion, offence against a Commonwealth, State or Territory law, proceeds of crime, money laundering, terrorism financing or transactions that have no apparent economic or visible lawful purpose. The Trustee employs both human judgement and data analysis to identify such transactions.

The Trustee reports any such suspicious matters plus any threshold transactions or international funds transfer instructions to the regulator.

Please note that the information contained in this document is of a general nature only and does not constitute personal advice as it does not take into account your personal objectives, financial situation or needs. Any advice in this document is provided by FuturePlus Financial Services Pty Limited (ABN 90 080 972 630) as an Australian Financial Services Licensee (AFSL 238445) on behalf of the Trustee of Local Government Super, LGSS Pty Limited (ABN 68 078 003 497). LGSS Pty Limited is an APRA Registrable Superannuation Entity Licensee (ABN Pool A - 74 925 979 278 and ABN - Pool B 28 901 371 321). A reference to Local Government Super refers to Local Government Superannuation Scheme Pool A and Pool B as the context requires. Local Government Super is a registered business name of LGSS Pty Limited. Members should not rely solely on this information and should consider their own personal objectives, financial situation and needs before acting on this information. Prior to making any investment decision you should obtain and consider the relevant Product Disclosure Statement (PDS) pertaining to your membership and seek professional investment advice. Date issued: 1 July 2010.