



Local Government Defined Benefit Scheme

Supplementary Product Disclosure Statement



LOCAL GOVERNMENT®
SUPERANNUATION SCHEME

Introduction

What is the purpose of this communication?

On 1 November 2008 the Trustee introduced a new Schedule of Fees for all divisions of the Local Government Superannuation Scheme. The purpose of this SPDS is to provide details regarding the new fee amounts that are applicable in the Defined Benefit Scheme.

What is changing?

As part of a review of the costs associated with operating the Scheme, the Trustee has decided to change the fees payable by Scheme members. This has led to a change in the amounts charged as Management Costs, i.e. Administration Costs and Investment fee and expense recovery fees.

While the amounts charged for the Investment fee and expense recovery fees may be changing, the 0.55% maximum fee that has previously been in place for Contributory members will continue to apply in the new Schedule. For the accumulation component and deferred members, the maximum fee payable is now 1.00%.

Why the change?

The Trustee regularly reviews the fee structure of the Scheme and with the aim of treating all members of the Scheme fairly, has restructured the fees in a way that is more uniform across all of the Divisions.

The Scheme operates on a 'not for profit' basis which ensures that the fees we charge are kept to a minimum but are also sufficient to cover the costs associated in providing members with a quality superannuation investment vehicle.

Schedule of fees as at 1 November 2008

The tables that follow provide a comparison between the fees previously charged and the new fees which are effective 1 November 2008. For more information on how these fees are applied to your account, please refer to the current PDS.

It is important to note that these fees are only applicable if the member receives their benefit as a withdrawal lump sum amount; otherwise the fees payable are zero.

Contributory members

Investment fee and expense recovery fees		
Investment Strategy	Old fee structure	New fee structure
Trustee Selection	0.520%	0.420%

The maximum fee payable for the contributory component is 0.55%

Administration Costs	
Old fee	New fee
N/A	N/A

Accumulation component of the Basic Benefit

Investment fee and expense recovery fees		
Investment Strategy	Old fee structure	New fee structure
Trustee Selection	0.850%	0.980%

The maximum fee payable for the accumulation component is 1.00%

Administration Costs	
Old fee	New fee
N/A	N/A

Deferred members

Investment fee and expense recovery fees		
Investment Strategy	Old fee structure	New fee structure
Trustee Selection	1.395%	0.980%

The maximum fee payable for deferred members is 1.00%

Administration Costs	
Old fee	New fee
N/A	N/A

New fee example

The tables below use the fees applicable to the Trustee Selection Investment Strategy as a guide to the general cost of the Scheme.

Contributory members

EXAMPLE – The Trustee Selection Strategy		BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	0.42%	And, for every \$50,000 you have in the Scheme you will be charged a maximum of \$210 per year.
EQUALS Cost of Scheme		If you put in \$5,000 during a year and your balance was \$50,000 at the end of the year, then for that year you will be charged a maximum TOTAL fee of \$210 .

Contributory members with a Basic Benefit accumulation component (assumes a \$10,000 Basic Benefit accumulation component as part of the \$50,000 total benefit)

EXAMPLE – The Trustee Selection Strategy		BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	Contributory component 0.42% Accumulation Basic Benefit 0.98%	And, for every \$50,000 you have in the Scheme you will be charged a maximum of \$266 per year.
EQUALS Cost of Scheme		If you put in \$5,000 during a year and your balance was \$50,000 at the end of the year, then for that year you will be charged a maximum TOTAL fee of \$266 .

Deferred member

EXAMPLE – The Trustee Selection Strategy		BALANCE OF \$50,000
Contribution fees	Nil	Nil
PLUS Management Costs	0.98%	And, for every \$50,000 you have in the Scheme you will be charged a maximum of \$490 per year.
EQUALS Cost of Scheme		If you put in \$5,000 during a year and your balance was \$50,000 at the end of the year, then for that year you will be charged a maximum TOTAL fee of \$490 .

Enquiries

Who do I contact for enquiries, help and advice?

If you have any issues regarding the information contained in this SPDS, then please contact:

Member Services

Ground Floor
Local Government House
28 Margaret Street
Sydney

Phone: 1300 369 901
Fax: (02) 9279 4131

Telephone enquiries and personal interviews (by appointment only) can be made between 8.30am and 5.00pm on any business day.

Written enquiries should be sent to:

PO Box N835
Grosvenor Place NSW 1220

You can also contact the Scheme by going to our website: www.lgsuper.com.au

Issue date: 1 November 2008. Issued by LGSS Pty Limited (ABN 68 078 003 497). Level 12, Local Government House, 28 Margaret Street, Sydney NSW 2000. Tel: (02) 8234 6000 or 1300 369 901; Fax (02) 9279 4131 Website: www.lgsuper.com.au. LGSS is also an APRA Registrable Superannuation Entity Licensee (RSEL: L0001243). Local Government Superannuation Scheme is a Registered Superannuation Entity (ABN: Pool A – 74 925 979 278 and Pool B – 28 901 371 321). Distributed by FuturePlus Financial Services Pty Limited (ABN 90 080 972 630) is an Australian Financial Services License, AFSL 238445. This Supplementary Product Disclosure Statement (SPDS), dated 1 November 2008, supplements the Product Disclosure Statement (PDS) for the following Local Government Superannuation Scheme: Defined Benefit Scheme PDS dated 19 May 2006, and should be read in conjunction with the relevant PDS. This SPDS outlines important changes relating to information contained in the PDS and has been issued to advise LGSS Scheme members of the changes.

This paper is Australian made and certified under Environmental Management Systems ISO14001.

