



HOW SUPER WORKS & INSURANCE FOR SPOUSE MEMBERS

1 SEPTEMBER 2020

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IMPORTANT INFORMATION

The information in this document forms part of the Product Disclosure Statement (PDS), *Your Oracle Super Guide for Spouse members*, dated 1 September 2020 for the Oracle Superannuation Plan's Spouse members.

It should be read in conjunction with the other documents listed below, which all form part of the PDS. You should consider this information before making a decision about the product.

- *How super works & insurance for Spouse members* (this document)
- *Additional information*
- *How we invest your money*

The information provided in this document is general information only and does not take into account your personal financial situation or needs. Any examples included are for illustration only and are not intended to be recommendations or preferred courses of action. You should consider obtaining professional advice tailored to your personal circumstances. Information on tax and superannuation legislation is current as at 1 August 2020. The Trustee reserves the right to correct any errors or omissions.

Information contained in this document that is not materially adverse is subject to change from time to time and may be updated if it changes. Updated information can be obtained free of charge by contacting the Plan Administrator on **1800 127 953** or from the Plan's website at <https://super.towerswatson.com/super/oracle>.

Contacting the Plan



The Plan Administrator

Oracle Superannuation Plan
PO Box 1442
Parramatta NSW 2124



oraclesuperadmin@linksuper.com



1800 127 953

(+61 2 8571 6288 from overseas)



<https://super.towerswatson.com/super/oracle>



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4 Julius Avenue
North Ryde NSW 2113



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SUPER FOR SPOUSE MEMBERS

Both you and your spouse (Oracle employee) can benefit from membership in the Plan. You can open a Spouse Account and have your spouse (Oracle employee) contribute to your super on your behalf.

Why open a Spouse Account?

You and your spouse (Oracle employee) could both benefit from opening a Spouse Account in the Plan. For example:

- It can be an easy and convenient way to help you and your spouse (Oracle employee) save for retirement;
- There are no ongoing administration fees, as these are paid by Oracle (some fees do apply);
- There may be tax benefits for your spouse (Oracle employee) from spouse contributions, particularly if you have a low assessable income;
- You will be able to transfer super benefits from other funds into the Plan and consolidate your super; and
- You will have the option to purchase death insurance cover.

Everyone's financial situation and goals are different. So it is important that you and your spouse (Oracle employee) speak to a licensed financial adviser to see if spouse membership can benefit your family's financial situation.

How the Spouse Account works

Your Spouse Account includes any contributions that your spouse (Oracle employee) makes for you or splits with you, and any super you have chosen to roll over from another fund. These benefits in your Spouse Account become your entitlement.

You can invest your entire super in one of the Plan's five investment options, or you can choose a mix of the different investment options. You can also choose to invest future super contributions in different options to your existing account balance. Read the *How we invest your money* factsheet for full details about the Plan's five investment options.

Investment earnings will be allocated to (or deducted from) your Spouse Account according to the net investment return of your chosen investment option(s). Taxes and fees are also deducted from the account (see the *Fees and other costs* section in the *Additional information* factsheet for details).

When can I access my super benefits?

Like any other contributions to super, contributions made on your behalf will only be accessible when you reach your preservation age, or if you satisfy certain criteria (e.g. financial hardship or compassionate grounds). See to the right for more information on the preservation restrictions and preservation age.

You can roll over part or all of your benefit to another complying super fund at any time.

Your preservation age

According to the Government's preservation laws, you cannot generally take your super benefit as cash until you have 'retired' after reaching your preservation age. Your preservation age depends on when you were born, as shown in the table below.

Date of birth	Preservation age
Before 1/7/1960	55
1/7/1960 to 30/6/1961	56
1/7/1961 to 30/6/1962	57
1/7/1962 to 30/6/1963	58
1/7/1963 to 30/6/1964	59
1/7/1964 or later	60

For the purposes of the preservation laws 'retired' means that you must have ceased gainful employment and one of the following must apply to you:

- If you have reached your preservation age but are less than age 60, the Trustee must be satisfied that you intend never again to be gainfully employed for more than 10 hours per week.
- If you are over age 60, either:
 - You must have ceased gainful employment after reaching age 60; or
 - The Trustee must be satisfied that you intend never again to be gainfully employed more than 10 hours per week.

You can receive your benefit in cash after you have reached age 65 regardless of whether you are working or have ever worked.

'Spouse'

Under current rules, a spouse is generally:

- A person of either sex, with whom you live on a genuine domestic basis in a relationship as a couple; and
- Under age 67 (or age 67 to 74 and meets the work test).

You and your spouse (Oracle employee) must both be Australian residents for tax purposes.



You may be able to take part of your super in cash before your preservation age; for example, if it relates to employment before 1 July 1999. This is known as a 'non-preserved' benefit. Your *Annual Benefit Statement* will show you if this applies to you. You may also be able to take part of your benefit in cash in other limited circumstances. This includes permanent incapacity, if you suffer from a terminal medical condition or you meet the conditions in the law to receive your benefit on compassionate or financial hardship grounds.

You may also access your super on reaching your preservation age but before being 'retired' by rolling over part or all of your benefit into a 'transition to retirement' pension. The Plan does not offer any pension facilities.

How can my spouse contribute to my super?

You must first set up a Spouse Account before your spouse (Oracle employee) can contribute to your super.

To open an account, you and your spouse (Oracle employee) should read the Plan's PDS for Spouse members carefully and complete the *My Spouse form*, available from the Plan Administrator or on the website at <https://super.towerswatson.com/super/oracle>. Remember, you must make an investment choice or your application for membership cannot be processed. Your spouse (Oracle employee) must also make at least one contribution to your super before the Plan can accept any rollovers from you or split contributions from your spouse (Oracle employee).



YOUR CONTRIBUTION CHOICES

There are three easy ways for you to build your super savings in the Plan.

Making after-tax contributions

Your spouse (Oracle employee) can choose to have contributions deducted from their after-tax salary each pay period and paid to your Spouse Account. Your spouse (Oracle employee) can choose the dollar amount they would like to contribute. Those contributions will be paid into your Spouse Account in the Plan.

To make after-tax spouse contributions, your spouse must be a current employee of Oracle, a member of the Plan and an Australian taxpayer. They cannot make direct spouse contributions from their before-tax salary (i.e. via salary sacrifice), but they can split their before-tax contributions with you (see below).

Your spouse can make spouse contributions at any time by completing the *My Spouse form*. They can change the level of their spouse contributions as at 1 June each year.

After-tax spouse contributions are known as “non-concessional” contributions, and they will count towards your non-concessional contribution cap rather than your spouse’s (Oracle employee). See the *How super is taxed* section in the *Additional information* factsheet for details.

The Plan cannot accept any contributions directly from you or from your employer. However, you can roll over your benefits from previous funds into the Plan.

Rollovers from your previous super funds

Once you and your spouse (Oracle employee) have set up a Spouse Account in the Plan for you, you can roll over any benefits from other super funds into the Plan simply by contacting your former super fund with your request. Alternatively, you can complete the *Rollover form* available from the Plan Administrator or at <https://super.towerswatson.com/super/oracle>.

Your rollovers will be automatically placed into your Spouse Account. There are no fees for rolling over into the Plan, however, you should check whether you will lose any valuable benefits (such as insurance) if you leave your other fund.

Contribution splitting

Your spouse (Oracle employee) can transfer some of their super contributions to your Spouse Account in the Plan or to an external fund once each financial year.

After 1 July each year, your spouse (Oracle employee) can apply to the Trustee to split some super contributions made during the previous financial year. They may also apply to split their current-year contributions if they are leaving the Plan. Your spouse (Oracle employee) will need to complete a *Contribution Splitting form* which is available from the Plan Administrator or on the website at <https://super.towerswatson.com/super/oracle>.

If the Trustee approves your spouse’s application, the split will occur within 90 days. Any split contributions will be transferred to your Spouse Account in the Plan or another eligible super fund.

Any contributions received after 30 June each year cannot be split until the following financial year unless your spouse (Oracle employee) is leaving the Plan. A contribution splitting fee applies for each split made. See the *Fees and other costs* section in the *Additional information* factsheet for more information.

Limits to spouse contributions and splitting

Contribution splitting limit

Your spouse (Oracle employee) can split up to 85% of their concessional contributions with you, or up to the ‘concessional contributions cap’, if lower. Concessional contributions include before-tax contributions (i.e. Oracle’s contributions and their salary sacrifice contributions). See the *How super is taxed* section in the *Additional information* factsheet for more information.

Your spouse (Oracle employee) cannot split non-concessional contributions or rollovers or transfers (e.g. from overseas funds) that they have made into the Plan.

Spouse contribution rules

Any spouse contributions your spouse (Oracle employee) makes from their after-tax salary will count towards your non-concessional contribution cap, rather than theirs.

See the *How super is taxed* section in the *Additional information* factsheet for more information.

Spouse contributions can only be accepted if both you and your spouse (Oracle employee) have provided the Plan with your Tax File Numbers. Other restrictions may also apply.

How does contribution splitting differ from the spouse contribution facility?



To make spouse contributions, your spouse (Oracle employee) contributes a regular amount from their after-tax salary (or makes periodic lump sum contributions if agreed to by the Trustee) into a Spouse Account in your name in the Plan.

With contribution splitting, the contributions are first paid into your spouse’s (Oracle employee) account and later split to your Spouse Account in the Plan. Your spouse can only split part of their full-year Company contributions and their before-tax contributions with you after the end of the financial year, unless they leave the Plan during the year. In this case, the before-tax contributions received for the financial year to date can be split.

While they work differently and have different tax treatment, both help you save for retirement and provide other potential benefits for you and your spouse (Oracle employee).

What happens if...

My spouse leaves Oracle?

If your spouse (Oracle employee) leaves Oracle, you must transfer your entire benefit into another complying super fund within 180 days of the Plan Administrator writing to you with a benefit quotation. If no instructions are received within 180 days, your benefit will be transferred into the Plan's nominated Eligible Rollover Fund (ERF).

Fees and the investment and crediting rate policy of the ERF, may be different to those of the Plan. Also, the ERF does not offer insured benefits for death or disablement. You should seek advice from a licensed financial adviser as to whether the ERF is a suitable investment vehicle for your purposes. The ERF is:

The Administrator
SuperTrace
Approved Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124
Phone: 1300 788 750
Email: SuperTrace.Member@cba.com.au
Website: www.supertrace.com.au

While your spouse is employed by Oracle, you may keep your benefit in your Spouse Account, even if they stop making spouse contributions for you. However, if your account balance falls under \$6,000 and is "inactive", it will be paid to the ATO under the Government's requirements. The ATO will consolidate the account with your active super account.

You will be considered inactive if, in the last 16 months, you have not:

- received a contribution or rollover,
- changed your investment choice,
- changed your insurance, or
- notified the Plan that you do not wish to be treated as a low balance inactive account.

I die, or my spouse dies?

If your spouse (Oracle employee) dies, you must roll over the benefit in your Spouse Account into another complying super fund within 180 days of the Plan Administrator writing to you with a benefit quotation. If no instructions are received within 180 days, your benefit in the Spouse Account will be transferred into the Plan's nominated ERF as listed above. If you die, your benefit is paid to your estate.

I separate from, or divorce, my spouse?

If you separate from or divorce your spouse (Oracle employee), you must roll over the benefit in your Spouse Account into another complying super fund within 180 days of the Plan Administrator writing to you with a benefit quotation. If no instructions are received within 180 days, your benefit will be transferred into the Plan's nominated ERF.

Under Family Law, the super benefits of both you and your spouse may form part of your property settlement. If this occurs, the benefit in your Spouse Account will be counted as your asset. Fees apply to any application made to the Trustee to provide information about, or split a superannuation benefit. See the *Fees and other costs* section in the *Additional information* factsheet for details.

Fees and charges

The fees that may apply to your Spouse Account are set out in the *Fees and other costs* section in the *Additional information* factsheet, which is available from the Plan Administrator or from the website at <https://super.towerswatson.com/super/oracle>. These fees are subject to change and you will be notified of any changes.

Temporary residents

If you are not an Australian or New Zealand citizen or resident and you accrued super while in Australia on a temporary resident visa, you may be able to claim your super when you return home. Applicable taxes will be deducted (these may be different to the taxes paid by other Plan members on their super). If you do not claim your super within six months of permanently departing Australia, the Trustee may be required to pay your super to the Australian Taxation Office (ATO) without your consent. You may then claim your super from the ATO, but it may not earn any interest while with the ATO.

INSURANCE FOR SPOUSE MEMBERS


When you join the Plan, you will be eligible to purchase death insurance cover through the Plan. Spouse cover does not include cover for total and permanent disablement.

Death insurance cover is purchased in units. The amount of insurance you can purchase depends on your age and the number of units of cover you would like to purchase.

The table to the right shows the amount of cover provided by each unit of cover at the date of publication.

The fee for each unit of cover (\$3 per month as at the date of publication) is deducted from your Spouse Account each month.

You and your spouse (Oracle employee) must ensure there are sufficient funds in your Spouse Account to cover this monthly fee. If there are insufficient funds in your Spouse Account to meet the monthly fee, your insurance cover will end.



How to apply for insurance

To purchase death insurance cover through the Plan, you will need to complete:

- The relevant section of the *My Spouse form*; and
- An *Application for Insurance* form, providing evidence of your health.

Both forms are available from the Plan Administrator or on the website at <https://super.towerswatson.com/super/oracle>. You should read the “Duty of Disclosure” section of the *Application for Insurance* form carefully. The insurer will review the information you provide on the *Application for Insurance* form and, as a result, may apply a loading to your fee or impose restrictions or exclusions on the cover granted. It may even refuse your application for cover.

If you elect not to submit this health evidence, or if the insurer does not accept your application, your benefit will be restricted accordingly. You will be advised if this occurs.

Your cover starts from the date your application is accepted by the insurer. While the application for cover is being assessed, you will be covered for accidental death for up to 90 days, or until the insurer makes a decision on your application, if earlier. Your cover will end in the circumstances outlined on page 6.

This cover is provided under an insurance policy taken out by the Trustee on behalf of Plan members. As such, the benefits and fees that apply to your cover may change from time to time. However, you will be advised if this occurs.

Once your application for insurance has been accepted, you can increase the level of insurance cover at 1 June each year. Further medical evidence will be required.

When you apply to purchase insurance, we will ask you to confirm that you want your cover to continue even if your account balance is less than \$6000. If you change your mind later, or if for any other reason you would like to reduce or stop your insurance cover, you should send a letter addressed to ‘The Trustee of the Oracle Superannuation Plan’ via the Plan Administrator (see the front cover for contact details). You can do this at any time.

In the event that there are no contributions or roll overs into your account for 16 months, we must cancel your insurance cover unless you tell us you want to keep your cover or you arrange to make a contribution. We will warn you in advance if your account is classified as inactive and your insurance could stop.

Death-only insurance cover (per unit of cover)

Your current age	Amount of insurance	Your current age	Amount of insurance
33 and under	\$130,000	50	\$35,500
34	\$122,000	51	\$33,000
35	\$112,000	52	\$30,000
36	\$104,000	53	\$28,000
37	\$97,000	54	\$25,500
38	\$90,000	55	\$23,200
39	\$84,000	56	\$21,200
40	\$78,000	57	\$19,400
41	\$72,000	58	\$17,600
42	\$67,000	59	\$16,000
43	\$62,000	60	\$14,400
44	\$58,000	61	\$13,000
45	\$53,000	62	\$11,800
46	\$49,000	63	\$10,400
47	\$45,500	64	\$9,300
48	\$42,000	65	Nil
49	\$39,000		

INSURANCE RISKS

The Trustee uses an insurance policy to meet the insurance benefits payable on death. If the insurer imposes restrictions or special conditions on your insurance or refuses to pay a claim, the Trustee has the power under the Trust Deed to adjust your benefits accordingly.

As a result, there are a number of risks associated with the restrictions and special conditions that may be imposed by the insurance company. These include:

- The risk that, even if your claim is accepted, it may take some time for payment to be made. For example, it can take some time to obtain all the required information to assess the claim.
- The risk that the insurer may refuse to provide cover in certain circumstances, for example, if you commit suicide or make a claim caused by war.
- The risk that the maximum amount of cover allowable under the policy may be insufficient to meet your needs.
- The risk that the insurer may decline (or defer) your cover, which may also affect your ability to obtain insurance cover in the future.

Other risks associated with membership in the Plan are set out in the *Benefits of investing with the Oracle Superannuation Plan* section in the *Additional information* factsheet. For details of investment risks, see the *How we invest your money* factsheet. Both factsheets are available from the Plan Administrator or from the website at <https://super.towerswatson.com/super/oracle>.

INSURANCE RESTRICTIONS AND CONDITIONS

Part of the benefit payable on death is met from an insurance policy taken out by the Trustee and is subject to the terms and conditions of that policy. The Trustee can change the Plan's insurer at any time.

From time to time, you may be asked to submit evidence of good health to the Trustee or the insurer, for example, when applying for cover or any increase in cover. The insurer will assess the evidence and may apply a loading to your fee, or impose restrictions or exclusions on the cover granted. It may even refuse to provide you with cover. If you do not submit this evidence, your benefits will be restricted.

If, for some reason, the insurer does not accept or pay out all or part of the insurance, your benefits will be reduced accordingly. You will be advised if this affects you.

How to make an insurance claim

To make an insurance claim, your representative should contact the Plan Administrator to obtain the appropriate forms. The claim must be lodged as soon as possible after your representative becomes aware of your death.

Exclusions

The insurer will not pay your death insurance benefit if, within 13 months of the cover starting (or increasing) a claim is submitted as a result of suicide. Also, the insurer will not pay a benefit if your death is caused directly or indirectly by an act of war.

Similar exclusions apply during a period of interim accident cover (while the insurer assesses your application).

When will your death insurance cover cease?

Your insurance cover under the Plan will end on the earliest of the following:

- There are insufficient funds in your Spouse Account to cover the fees;
- A benefit becomes payable in respect of you under the insurance policy;
- You reach age 65;
- You elect to cancel your cover;
- Your cover is cancelled because you become classified as inactive and do not elect to retain your cover (we will write to you before you become inactive);
- Your spouse (Oracle employee) leaves the Company;
- The policy is terminated or cancelled;
- You are no longer an Australian Resident, you are no longer permanently in Australia or no longer eligible to work in Australia;
- Your application for a personal policy under the Plan's continuation option is accepted or declined;
- You commence duty with certain military services.

Note that this is a summary only.

Insurance continuation option

If your spouse (Oracle employee) leaves the Company, you may be able to apply to continue the death-only insurance cover you had as a Spouse member of the Plan by purchasing a personal insurance policy at your own expense through the Plan's insurer without the need to provide evidence of good health.

The cost of this personal policy will be based on the insurer's current retail premium rates, which will be different to the fee payable while you were a Spouse member of the Plan. Other conditions also apply, and the insurer reserves the right to decline your application. For more information on continuing your insurance cover, contact the Plan Administrator.

