

Joining HESTA for Mercy Super as an employee

HESTA for Mercy Super product disclosure statement

30 September 2023

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1. about HESTA for Mercy Super

HESTA is a specialist industry super fund with deep connections to health and community services and those who, like them, make our world better.

HESTA has more than one million members and \$76 billion in assets. HESTA is run by people like you. Founded in 1987, our Trustee H.E.S.T. Australia Ltd is made up of an equal number of directors appointed by industry employer and employee organisations, and two independent directors.

Information about Trustee and Executive remuneration and any other document that must be disclosed (e.g. trust deed) can be found online at hestaformercy.com.au/disclosure To see the product dashboard for Balanced Growth, the HESTA for Mercy *MySuper*-authorised default investment option, go to hestaformercy.com.au/dashboard For a summary of other investment options offered by HESTA, go to section 5 of this Product Disclosure Statement (PDS). The target market determination that applies to this product can be found at hestaformercy.com.au/tmd

This Product Disclosure Statement (PDS) is for people joining HESTA for Mercy Super as an employee of a Core Participating Employer (including Mater Misericordiae Ltd and its associates), a spouse of an employee of a HESTA for Mercy member, or where your non-participating employer will pay superannuation contributions to HESTA for Mercy Super for you.

Information in this PDS is current at the date of preparation 25 September 2023. Information in this PDS that is not materially adverse may change from time to time and can be found anytime on our website hestaformercy.com.au/pds

A paper or electronic copy of the updated information will be made available to you upon request, without charge, by calling 1300 368 891. We may from time to time issue a new PDS which will be available on our website or by calling 1300 368 891.

The persons included in this document have provided their consent to the materials and statements attributed to them, in the form and context in which they appear and have not withdrawn this consent as at the date of preparation.

Issued by H.E.S.T. Australia Ltd ABN 66 006 818 695 AFSL No. 235249
Trustee of HESTA ABN 64 971 749 321.

This PDS is a summary of significant information and other references to important information (each of which forms part of this PDS). You can access this information via the links referred to throughout the PDS. You should read the relevant PDS before making a decision about products (call 1300 368 891 or visit hestaformercy.com.au/pds for a copy). You should read the important information about risks of super before making a decision. Go to hestaformercy.com.au/pds and read *Risks of super*.

The information provided in this PDS is general information only and does not take account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances. This PDS does not constitute an offer in any jurisdiction other than Australia.

This document does not relate to the HESTA for Mercy Income Stream. Refer to the *HESTA for Mercy Income Stream PDS* available online at hestaformercy.com.au/ispds

2. how super works

Super is a means of saving for your retirement that is, in part, compulsory. To encourage you to save for your retirement, the Federal Government provides a range of incentives for savings in super. This means super is taxed differently to other investments and there can be significant tax advantages (see page 10 for more about how super is taxed).

Examples of some of the contributions available to a member include:

- employer contributions
- voluntary after-tax contributions
- voluntary before-tax contributions (which includes salary sacrifice)
- government co-contributions.

There are some limitations on contributions, including the amount you can contribute, the age at which you can continue making contributions, and whether your existing account balance may impact your ability to make certain types of contributions in the future.

Generally, it's compulsory for an employer to make contributions to an employee's super account and most employees have the right to choose which fund the compulsory contributions are made. If you change jobs the fund your employer contributes to will depend on whether you or the Australian Taxation Office (ATO) have instructed them to pay into an existing super account you hold. Your employer may contribute to their selected default fund if you don't have an existing super fund or you haven't chosen a super fund. If your employer is paying your contributions into a different fund and you want to choose HESTA for Mercy Super, use the *Choice of super fund request* form.

Annual statements, significant event notices and other legislated disclosures will be available to you digitally rather than sending them to your postal address. This means we may publish the notification on our website or other digital facilities.

We'll still contact you at your nominated contact details whenever we do this to let you know how to access the information available. If you'd prefer us to send information by post to your nominated contact address, you can opt-out of digital disclosure by updating your preferences in your online account. You can also go into your online account to see transactions such as contributions.

Investment of the money in your super account is based on the investment strategy of your choice, or the default option if you have not made a choice (see pages 6-7).

Withdrawal of money from super is generally used for retirement and may be taken either as a lump sum or as an income stream. You can only withdraw your super in limited circumstances before reaching your preservation age. Your preservation age depends on when you were born.

How amounts are allocated to accounts

Amounts received by HESTA are held in a trust account before they are allocated to a member's account. HESTA retains the interest (if any) earned on amounts held within the trust account. We allocate amounts to the relevant HESTA for Mercy member's account using the calculated unit price of the investment option(s) effective the day the amount is allocated to a member's account. If the amounts cannot be allocated, we will refund or transfer to ASIC as required by law.

You should read the important information about how super works before making a decision. Go to hestaformercy.com.au/pds and read *How super works*. The material relating to how super works may change between the time when you read this PDS and when you acquire the product.

3. benefits of investing with HESTA for Mercy Super



Strength in numbers

HESTA has more than one million members and \$76 billion in assets. We're a specialist industry super fund with deep connections to health and community services and those who, like them, make our world better. Together, we can work for real world impact. Find out more at hestaformercy.com.au



Investing for the future

Super with impact is the positive outcome we create by supporting our members to face the future with confidence, being a gutsy advocate for a fair and healthy community and delivering investment excellence with impact. Find out more at hesta.com.au/impact



Competitive standard insurance

Members who are eligible can access competitive default insurance to protect their income and their family. Find out more by reading *Insurance options guide* at hestaformercy.com.au/pds



24/7 access to your account

You can access and manage your HESTA for Mercy Super account via our website and the HESTA App. Register for online access today at hestaformercy.com.au/register, [App Store](https://www.apple.com/app-store) or [Google Play](https://www.google.com/play) to download the HESTA App.

The recognition you deserve - We work with key organisations to present awards to Australia's top nurses and midwives, early childhood educators and people working in aged care and the community sector. Visit hesta.com.au/awards for more information on the programs we run to support your industry.

| HESTA | AWARDS

4. risks of super

Super allows you to save for your retirement in a low-cost, tax-effective way. However, it's important to note that the amount of your super benefit at retirement may not meet your expectations due to the impact of risk factors.

Investment risk

All investments carry risk. Different investment options may carry different levels of risk, depending on the assets that make up the option. Investments with the highest targeted long-term returns may also carry the highest level of short-term risk. It is important to understand that investment risk includes:

- the value of investments will vary
- the level of returns will vary and future returns may differ from past returns
- returns are not guaranteed and you may lose some of your money.

Other risks

Superannuation is savings for your retirement. You should also be aware of the risk that:

- superannuation and tax laws may change in the future
- the amount of your super benefit at retirement (including contributions and returns) may not be enough to provide adequately for your retirement.

Risk and you

How these risks may affect you will vary depending on a range of factors including:

- your age
- your investment timeframe
- where other parts of your wealth are invested
- your risk tolerance.

You should read the important information about risks of super before making a decision. Go to hestaformercy.com.au/pds and read *Risks of super*. The material relating to risks of super may change between the time when you read this PDS and when you acquire the product.

5. how we invest your money

This section provides a summary of how we invest your money.

Investment choices

You can choose one or more of the following types of investment strategies, including combining Ready-Made Options with Your Choice Options.

Type	Description	Investment choices
Default	If you don't make a choice, all your super is invested in the default option. Your super will stay in the default option unless you decide to change.	Balanced Growth
Ready-Made	Choose from five different Ready-Made Options. The options are invested in a carefully selected mix of asset classes, each with a different performance goal and risk profile.	Conservative Balanced Growth Indexed Balanced Growth Sustainable Growth High Growth
Your Choice	Design your own asset mix by choosing how much you want invested in one or more of five Your Choice Options.	Cash and Term Deposits Diversified Bonds Property and Infrastructure International Shares Australian Shares

- i** You must consider the likely investment return, risk and your investment timeframe when choosing a default product or other investment options to invest in.

Investment switching

You can switch investment options by using your online account. Go to hestaformercy.com.au/login to log in or register. There is no fee to switch investment options. For more information about investment options with HESTA for Mercy Super, go to hestaformercy.com.au/pds and read *Investment choices*. We strongly recommend you seek financial advice before changing your investment choice.

Changes we make to investment options

At times we may add to, close or change our investment options in accordance with the HESTA investment strategy. We will notify you of any significant changes before it happens. Where the changes are not material, you can find updates on the HESTA for Mercy website.

Responsible investment

Environmental, social and governance (ESG) factors are considered in investment decision making and active ownership. Our *responsible investment policy* available at hesta.com.au/responsible outlines our principles and commitments that direct our approach to responsible investment.

You should read the important information that includes more detail about how we invest your money before making a decision. Go to hestaformercy.com.au/pds and read *Investment choices*. The material relating to the detail about how we invest your money may change between the time when you read this PDS and when you acquire the product.

MySuper

MySuper is a superannuation initiative by the Australian Government requiring default super products to meet certain prescribed conditions. HESTA for Mercy MySuper members are members who do not make a choice where to invest their money or actively choose to invest all their money in Balanced Growth. All other members are not HESTA for Mercy MySuper members.

Default option: Balanced Growth (MySuper-authorized)

Balanced Growth is designed to provide a diversified portfolio across a range of asset classes including shares, debt and infrastructure, with some property, private equity, alternatives, and cash investments.

Below are the strategic asset allocations and investment return objectives for Balanced Growth.

For details of all investment options, read Investment choices at hestaformercy.com.au/pds

You should read the important information that includes details of all investment options, including the risk levels of each investment option before making a decision. Go to hestaformercy.com.au/pds and read *Investment choices*. The material relating to the detail of all investment options may change between the time when you read this PDS and when you acquire the product.

Investment details for Balanced Growth

Mix of assets	Strategic asset allocation and range	
	Allocation	Range
Australian shares	22%	15 - 40%
International shares	31%	15 - 45%
Private equity	5%	0 - 15%
Alternatives	2%	0 - 15%
Infrastructure	10%	5 - 25%
Property	6%	0 - 20%
Global debt	19%	0 - 35%
Cash	5%	0 - 30%
Investment return objective long term (10 years)	CPI + 3% (p.a.)	
Minimum suggested timeframe	5 to 7 years	
Probable number of negative annual returns over any 20 year period	4 to less than 6	
Risk level¹	High	
Typical investor type	Ambitious	

1 The risk level relates to the Standard Risk Measure. This allows you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period.

6. fees and costs

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 account 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 or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser¹.

To find out more

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) MoneySmart website (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

¹ The inclusion of this statement is a legal requirement. HESTA for Mercy Super fees are not negotiable.

Fees and costs summary

The information in this Fees and Costs Summary relates to Balanced Growth and can be used to compare costs between different superannuation products. Fees and costs may be paid directly from your account or deducted from investment returns.

Balanced Growth (HESTA for Mercy MySuper)

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
Administration fees and costs	\$1.00 per week plus 0.15% p.a. of your account balance (subject to fee cap*)	The weekly fee is calculated daily and the 0.15% is calculated on the closing balance of your account at the end of each month. Both fees are deducted from your account two days after the end of each calendar month and when you close your account. *The percentage-based administration fees and costs is not charged on any amount of your account balance in excess of \$500,000.
	plus 0.04% p.a.	Additional administration costs may be paid from fund assets, not your account. The amount shown is based on the costs deducted for the 12 months to 30 June 2023.
Investment fees and costs²	0.61% p.a.	Deducted from the valuation of investments before daily unit prices are calculated.
Transaction costs	0.05% p.a.	Deducted from the valuation of investments before daily unit prices are calculated.
Member activity related fees and costs		
Buy-sell spread	\$0	N/A
Switching fee	\$0	N/A
Other fees and costs³	Activity fees, advice fees for personal advice and insurance fees may apply.	

¹ If your account balance for a product offered by HESTA is less than \$6,000 at the end of the HESTA income year, certain fees and costs charged to you in relation to administration

and investment are capped at 3% of your account balance. Any amount charged in excess of that cap must be refunded.

- 2 Investment fees and costs includes an amount of 0.22% for performance fees. The calculation basis for this amount is set out under 'Additional explanation of fees and costs' at hestaformercy.com.au/pds
- 3 See 'Additional explanation of fees and costs' in *Fees and costs* at hestaformercy.com.au/pds for more information about these fees.

Example of annual fees and costs of a superannuation product

This table gives an example of how the ongoing annual fees and costs for Balanced Growth (HESTA for Mercy MySuper) for this superannuation product can affect your superannuation investment over a 1-year period. You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE Balanced Growth (HESTA for Mercy MySuper)		BALANCE of \$50,000
Administration fees and costs	\$1.00 per week. (\$52 p.a.) plus 0.15% p.a. of your account balance plus 0.04% p.a. paid from fund assets	For every \$50,000 you have in Balanced Growth, you will be charged or have deducted from your investment \$95¹ in administration fees and costs, plus \$52 , regardless of your balance.
PLUS Investment fees and costs	0.61% p.a.	And , you will be charged or have deducted from your investment \$305 in investment fees and costs
PLUS Transaction costs	0.05% p.a.	And , you will be charged or have deducted from your investment \$25 in transaction costs
EQUALS Cost of product		If your balance was \$50,000, at the beginning of the year, then for that year you will be charged fees and costs of \$477² for Balanced Growth

- 1 This amount includes \$20 paid from fund assets (the Fund Development Reserve) and not your account
- 2 Additional fees may apply.

You should read the important information about fees and costs for all investment options before making a decision. Go to hestaformercy.com.au/pds and read *Fees and costs*. The material relating to fees and costs for all investment options may change between the time when you read this PDS and when you acquire the product.

Additional explanation of fees and costs

Administration fees and costs deducted from your account are paid into the Fund Development Reserve. The fund then pays its administration costs (including trustee fees) from this reserve. We reserve the right to change fees and costs at any time without members' consent. Where there is an increase in fees, we will notify you at least 30 days before the increase. Where there is an increase in costs not charged directly to your account, we will notify you as soon as practicable after those costs are known.

Investment fees and costs and transaction costs are indicative only and are based on reasonable estimate of the annualised costs for the current financial year. This estimate reflects the costs of the HESTA MySuper product for the year ended 30 June 2023 as it is the most appropriate approximation available. The actual amount you will be charged in this, and subsequent financial years will depend on the actual costs incurred in those years. Past costs may not necessarily be an indicator of future costs. The definitions for each fee type is set out in *Fees and costs* available at hestaformercy.com.au/pds

- ❗ HESTA for Mercy Super members have access to the HESTA help and advice service. By agreement, a fee may be paid from your account for advice services. The amount of the fee will vary depending on the nature of the advice, and will be disclosed in the Statement of Advice provided to you.

Use the Superannuation calculator on the ASIC MoneySmart website to show the effect of fees and costs on your account balance. Go to moneysmart.gov.au

7. how super is taxed

Generally, there are three times when your super may be subject to tax.

- Contributions** into your super that are made before tax is taken out of your pay (such as employer contributions and salary sacrifice) are generally taxed at 15%. The tax is deducted from your account. The tax may be different if you have exceeded a contribution cap or are a low or very high-income earner. Contributions into your super that are made from your after-tax savings are not taxed. You may be able to claim a tax deduction on personal contributions made to HESTA. These contributions will be taxed at 15%. Eligible members claiming a tax deduction for personal contributions must lodge an Australian Taxation Office (ATO) *Notice of intent to claim or vary a deduction for personal super contributions* form (NAT 71121) with us by the date you lodge your tax return, the last day of the income year after the income year in which you made the contribution/s, or before you withdraw your super from HESTA (whichever date is earlier). For more information and to download the form, visit ato.gov.au/super
 - Investment** earnings in super are taxed at a maximum rate of 15%. The final tax rate may be less than 15% after tax concessions, offsets and credits are applied. The tax is deducted from investment earnings before unit prices are calculated.
 - Withdrawals** from your account may be taxed if you are less than 60 years old. Tax will be withheld at the time of payment. Generally, no tax will apply to withdrawals once you turn 60.
- ❗ There is a cap on the amount of contributions that can be made to your account at these tax rates. There will be tax consequences if you exceed the contribution caps. See *How super is taxed* at hestaformercy.com.au/pds for details.
 - ❗ You should provide your tax file number (TFN) when you join HESTA for Mercy Super. If you don't provide your TFN, you may pay extra tax on your contributions and you may not be able to make some types of contributions. Not providing your TFN will also make it more difficult to trace different super accounts in your name and you may miss out on some of your super benefits when you retire.

You should read the important information about how super is taxed before making a decision. Go to hestaformercy.com.au/pds and read *How super is taxed*. The material relating to how super is taxed may change between the time when you read this PDS and when you acquire the product.

8. insurance in your super

This section provides a summary of insurance available through HESTA for Mercy Super account.

Insurance commencement

We will provide you with Standard Cover automatically when you meet the eligibility requirements, unless you have advised us you do not want this cover. Standard Cover includes cover for:

- death cover; and
- total and permanent disablement (TPD cover); and
- total disability or partial disability (Income Protection (IP) Cover).

To be eligible for Standard Cover, you must

1. be aged 25 or over; and
2. have an account balance of \$6,000 or more; and
3. be employed by a Core Participating Employer (please refer to the *Insurance options guide* at hestaformercy.com.au/pds for more details about which employers are Core Participating Employers); and
4. join HESTA for Mercy Super within 120 days of commencing employment with a Core Participating Employer; and
5. be an Australian Resident or a holder of a Visa residing in Australia; and
6. have an account that is not inactive¹.

You will not be eligible for Death and TPD Cover if you have previously received, you are eligible for, or you are in the process of claiming a lump-sum TPD or terminal illness benefit under any other policy.

You will not be eligible for IP Cover if you have previously received, you are eligible for, or you are in the process of claiming a TPD, terminal illness, total disablement or partial disablement benefit under any other policy. If you have previously received a total or partial disablement benefit but you are no longer in the process of receiving a total or partial disablement benefit under any other policy, you will still be eligible for IP Cover.

If you do not meet the eligibility requirements, we will not provide you with Standard Cover and you will need to apply for any Voluntary Cover you wish to have, which is subject to assessment and approval by the insurer.

If you join HESTA for Mercy Super as the spouse of a HESTA for Mercy Super member, you will need to apply for Voluntary Cover, which is subject to assessment and approval by the insurer.

Limited Cover

In some circumstances, cover will be restricted, meaning you will be unable to claim for Pre-Existing Conditions. For details on when Limited Cover will apply, go to page 13.

If you meet the eligibility requirements except being aged 25 or over and having an account balance of \$6,000 or more, you can elect to obtain Standard Cover before it starts automatically by opting in through completing the *Insurance Cover opt-in* form within 120 days of joining HESTA for Mercy Super.

¹ See page 15 for a definition of inactive.

At the date of this publication, insurance is available to HESTA for Mercy Super members under insurance policies issued to the Trustee by Zurich Australia Limited ABN 92 000 010 195 AFSL 232510 ('HESTA's insurer', 'the insurer', 'our insurer').

Standard Cover

Standard Cover is the cover you receive automatically when you become eligible. Death Cover and TPD Cover is provided in 'units'. Each unit provides an amount of cover that changes with your age. The amount of cover that is provided for one unit of Death Cover and TPD Cover at each age is set out on page 10 of the *Insurance options guide* at

hestaformercy.com.au/pds.

Standard Cover consists of:

Cover type	Cover amount provided automatically	Special Cover option (see below)
Death Cover (including Terminal Illness)	10 units of cover – based on your age (see table below)	Up to an additional 5 units of cover
TPD Cover	10 units of cover – based on your age (see table below)	Up to an additional 5 units of cover
Income Protection Cover	\$2,500 per month Benefit period – up to 2 years Waiting period – 60 days	Up to an additional \$2,500 per month of cover

The table below shows the amount of Death Cover and TPD Cover provided under Standard Cover at certain ages. See the full details of cover provided at each age in *Insurance options guide* at hestaformercy.com.au/pds

Age	Death Cover (10 units)	TPD Cover (10 units)	Age	Death Cover (10 units)	TPD Cover (10 units)
20	\$350,000	\$350,000	45	\$380,000	\$380,000
25	\$350,000	\$350,000	50	\$260,000	\$260,000
30	\$365,000	\$365,000	55	\$130,000	\$130,000
35	\$395,000	\$395,000	60	\$65,000	\$65,000
40	\$400,000	\$400,000	65	\$20,000	\$20,000

IP Cover is provided as a fixed dollar amount of cover. IP Cover has a benefit payment period of up to two years, and is payable after a 60-day waiting period¹ during which you cannot work as a result of injury or illness. If you return to work in your full capacity during the waiting period, the waiting period may start again. However, if you return to work once during the waiting period for up to five consecutive days, the waiting period will not have to start again and the number of days that you have worked will be added to the waiting period.

- ¹ Waiting period means the number of consecutive days you must be disabled before a total or partial disability benefit would be payable. For a partial disability benefit, you must be totally disabled for 7 out of the first 12 consecutive days of the waiting period

For a full definition of 'Waiting Period', please refer to *Insurance options guide* at hestaformercy.com.au/pds

Special cover option for new members

If you are a new member who is eligible for Standard Cover, you can apply to increase your Standard Cover by up to:

- an additional 5 units of Death Cover for a total of up to 15 units of Death Cover;
- an additional 5 units of TPD Cover for a total of up to 15 units of TPD Cover; and
- an additional \$2,500 per month of IP Cover, for a total of up to \$5,000 per month of IP Cover.

You must apply within 120 days from the date your Standard Cover starts to receive the increased cover without the need for any health evidence. To take this option, you will need to complete the *Insurance change – Special Cover option* form.

Limitations on Standard Cover

Generally Standard Cover is provided if you are 'At Work' on the date your cover commences. However, if you are not 'At Work' on the date cover commences, your Standard Cover will be Limited Cover.

Limited Cover will apply until you have been 'At Work' for 60 consecutive days. For a full definition of 'At Work', please refer to *Insurance options guide* at hestaformercy.com.au/pds

'Limited Cover' means you are not covered for death, terminal illness, TPD, total disability or partial disability that arises either directly or indirectly, wholly or partially from a Pre-Existing Condition. For a full definition of 'Pre-Existing Condition' please refer to *Insurance options guide* at hestaformercy.com.au/pds

Cost of Standard Cover

- ❗ There is a cost to providing insurance and insurance fees (in this case premiums charged by the insurer) are deducted directly from your account unless you are not eligible for cover, opt out of cover, cancel cover or your cover ceases due to your account being inactive.²
- ❗ All the insurance premiums we show include stamp duty and taxes.

The table below shows the annual cost of Standard Cover that is provided at certain ages (i.e., 10 units of Death Cover and TPD Cover, and IP Cover of \$2,500 per month with a 60 day waiting period and up to 2 year benefit period). For more information on how the annual cost is calculated, see the example and tables of insurance costs in *Insurance options guide* at hestaformercy.com.au/pds

Age	Annual Cost of Death Cover	Annual Cost of TPD Cover	Annual Cost of IP Cover	Total Annual Cost of Standard Cover
20	\$119.00	\$43.40	\$80.70	\$243.10
25	\$87.15	\$48.30	\$86.70	\$222.15
30	\$95.27	\$75.19	\$96.90	\$267.36
35	\$134.30	\$135.49	\$124.80	\$394.59
40	\$214.00	\$257.60	\$175.80	\$647.40
45	\$297.54	\$473.10	\$258.00	\$1,028.64
50	\$319.28	\$665.34	\$385.20	\$1,369.82
55	\$249.47	\$601.38	\$587.10	\$1,437.95
60	\$191.69	\$490.04	\$913.80	\$1,595.52
65	\$92.54	\$250.74	\$642.00	\$985.28

² See page 15 for a definition of inactive.

Actual premiums are deducted from your account monthly and may differ from those shown here.

Choices you can make to your insurance

Apart from obtaining Standard Cover and taking the special cover option, you have the flexibility to make further alterations to your insurance cover so it is tailored to your personal needs. Your options include changing the type of insurance cover you hold, changing the number of units of Death Cover and TPD Cover you hold, converting your units of Death Cover and TPD Cover into fixed cover, changing your amount of IP Cover and changing the benefit period and/or waiting period of your IP Cover). There are maximum cover levels that apply to your Death, TPD and IP Cover. For more details on your cover options, applicable insurance fees and maximum cover levels, please refer to *Insurance options guide* at hestaformercy.com.au/pds

Changing your amount of Death Cover, TPD Cover and/or IP Cover

You can apply to increase your amount of Death Cover, TPD Cover and/or IP Cover at any time by completing the *Insurance change - adjust or apply for cover* form at hestaformercy.com.au/forms.

Any increase in your amount of Death Cover, TPD Cover and/or IP Cover are subject to a full health assessment and approval by the insurer. If you hold units of cover and apply for an increase in your units of Death Cover or TPD Cover (other than via the special cover option), your additional units of Death Cover or TPD Cover will become Voluntary Cover. However, any existing units of Death or TPD Cover you held before you applied for an increase will continue on the same terms and conditions. In contrast, if you apply for an increase in your amount of IP Cover (other than via the special cover option) or apply to extend the Benefit Period or reduce the Waiting Period, all of your IP Cover will become Voluntary Cover. Exclusions and fee loadings might also apply

Different premium rates apply to Voluntary Cover based on your age, gender, occupational classification, the amount of cover you have and for IP Cover, the Benefit Period and Waiting Period.

Fixing the amount of your Death and TPD Cover

If you don't want your cover to vary as you age, you can apply to fix the amount of your Death Cover and TPD Cover. Fixing your cover means your benefits stay the same as you age up until age 67 for Death Cover and up until age 62 for TPD Cover. From your 63rd birthday, your TPD cover will reduce by 20% each year to nil at age 67. Since your amount of cover stays the same when you fix your cover, this means your insurance premiums will tend to increase with your age. You can apply to switch between unithised Death and TPD Cover and fixed Death and TPD Cover at any time by completing the *Insurance change - fixed/unitised cover application* form at hestaformercy.com.au/forms. All fixed-cover and all unithised cover that has changed from fixed cover is Voluntary Cover and the applicable premiums for Voluntary Cover will apply. Converting your cover to fixed cover is subject to approval by the insurer.

Changing the benefit period and/or waiting period for your IP Cover

The following table summarises the different Income Protection Cover benefit period and waiting period options that are available:

Features and what it means	Voluntary IP Cover options
Benefit Period The maximum time you may be paid benefits.	Up to 2 years; or Up to 5 years; or Up to age 65.
Waiting Period How long you must wait before payment commences.	30 days; or 60 days; or 90 days.

If you apply to change the benefit period and/or waiting period of your IP Cover, your IP Cover will become Voluntary Cover. Please note that any increase in the benefit period of your IP Cover or decrease in the waiting period of your IP Cover is subject to a full assessment of your health and the approval of the insurer.

Other important information about insurance

Cancelling insurance cover

You can cancel your cover at any time by going online at hestaformercy.com.au/login

You can also advise us at any time before Standard Cover commences that you do not wish to receive Standard Cover using the *Insurance cover opt out* form at hestaformercy.com.au/forms. If you subsequently wish to take up insurance at a later date, you will be subject to a full health assessment and approval by the insurer.

Reducing insurance cover

You can reduce your cover at any time by completing the *Insurance change - adjust or apply for cover* form available at hestaformercy.com.au/forms or over the phone by calling 1300 368 891.

Multiple accounts

As a member, you are only entitled to insurance cover on one HESTA for Mercy Super account, generally your first account. Refer to *Insurance options guide* for further details about what will happen if you have multiple accounts.

Transferring cover

If you already have Death, Death and TPD or IP Cover through another super fund (other than a self-managed super fund), you can apply to transfer your cover to HESTA for Mercy Super subject to approval by the insurer. Refer to *Insurance options guide* at hestaformercy.com.au/pds for further details. To apply for a transfer of cover, complete *Insurance change - transfer application* form.

Inactive account

If you do not receive any contributions or roll ins for 16 consecutive months your account will be considered 'inactive' and any insurance cover you have will cease. You can choose to maintain your insurance cover before it ceases even if your account becomes inactive by completing *Election to maintain insurance* form at hestaformercy.com.au/forms

Exclusions

- ❶ You will not be covered for death, illness or injury that is caused by certain events.
- ❷ Please read *Insurance options guide* to obtain more detailed information regarding eligibility criteria, cover limits, exclusions to cover, the costs of cover and other terms and conditions relevant to the insurance cover provided through HESTA for Mercy Super. This information may affect your entitlement to cover and should be considered before you decide whether the insurance provided through HESTA for Mercy Super is appropriate for you.

Before making a decision about your insurance cover you should read the information contained in the *Insurance options guide* available at hestaformercy.com.au/pds. The information about insurance cover provided through HESTA for Mercy Super may change between the time you read this Statement and the day when you acquire the product.

9. how to open an account

Your Core Participating Employer may have already opened an account for you by making contributions. You can change your options via your online account. Register or log in at hestaformercy.com.au/login

If you are already a HESTA member, please contact us for more information.

Cooling off

For Core Participating Employers and their employees

Where you join HESTA for Mercy Super through a Core Participating Employer you do not have any cooling off rights. A 14-day cooling-off period applies to all employers who apply to become a Core Participating Employer. The 14-day period begins on the earlier of: the date the employer receives confirmation of participation in HESTA, or five days after an application for participation in HESTA is accepted. Employers can exercise their cooling off rights by notifying us by mail or email. If cooling off rights are exercised, we will transfer your money to a complying fund nominated by your employer within one month. The amount we transfer may be less than the amount invested due to investment performance, fees or taxes.

For employees of non-participating employers

Where you apply to join HESTA for Mercy Super and your employer is not a core participating employer, you have a cooling-off period in which to decide if HESTA for Mercy Super is right for you. The 14-day cooling-off period commences on the end of the fifth day after membership begins.

During this cooling-off period you can cancel your membership by emailing or writing to us. You won't have to pay any fees or costs, but your payment amount may be adjusted for any increase or decrease in investment

value, the cost of insurance and any tax paid. In other circumstances, where payments are returned because they cannot be allocated to an account, no earnings are applied.

If your initial payment was a preserved or restricted non-preserved sum, it can't be refunded to you, but must be transferred to another complying super fund of your choice.

Complaints

If at any time after opening your account you are not satisfied, you may make a complaint by contacting us, refer to hestaformercy.com.au/complaints for full details. Refer to the bottom of this page for our contact details.

You may also be able to escalate your complaint to Australian Financial Complaints Authority (AFCA) at afca.org.au

You should read the important information about how to make a complaint before making a decision. Go to hestaformercy.com.au/pds and read *How to make a complaint*. The material relating to how to make a complaint may change between the time when you read this PDS and when you acquire the product.

contact us

information@hestaformercy.com.au | 1300 368 891 | PO Box 8334, Woolloongabba QLD 4102 | hestaformercy.com.au