



MACQUARIE

Child pension terms and conditions

Macquarie Wrap

Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSEL L0001281
Macquarie Superannuation Plan ABN 65 508 799 106 RSE R1004496

A child pension is a simple way to provide tax-effective income to your children under 18 years of age, or certain other children that have a financial or disability dependency, in the event of your premature death.

A child pension may be selected in conjunction with other non-lapsing nominations that you have made. This means that you can nominate either part or all of your benefit to be paid as a child pension to one or more of your children. With the exception of a child who qualifies on disablement grounds, a child pension must be fully paid out upon the child reaching age 25.

The benefits of a child pension may include:

- the payment of a regular income stream that, subject to the prescribed minimum payment, can be structured to suit your child's needs
- the flexibility to restrict access to a lump sum until your child reaches a nominated age of up to 25 years (or earlier where required by law)
- tax-effective treatment of income payments, and
- tax-free treatment of any lump sum that is paid to the child.

Generally the pension must be paid in trust for the child's benefit.

If your nomination of a child pension is made in the prescribed manner and is consented to by the trustee then it will be binding on the trustee if the law permits the child to be paid a pension upon your death. A child pension can only be paid in certain circumstances. Refer to the *Estate Planning* section of the current Product Disclosure Statement for more information. If the law does not permit us to pay a child pension but your nomination is otherwise valid, we will pay the relevant portion of your death benefit nomination to the nominated child as a lump sum.

You may also further direct us as to any restrictions which are to apply. Where we agree to the terms of the child pension as specified by you in your nomination, the terms cannot be changed after you die. As we agree to be bound by your instructions in advance it is very important that your nomination is kept up-to-date.

You may change:

- the child you have nominated
- your request to pay all or part of your benefit as a child pension, or
- the terms of the child pension

at any time by completing a new child pension schedule and/or, if required, a new non-lapsing death benefit nomination form.

Who is eligible to make a child pension nomination?

You can make a child pension nomination if you are a member of one of the following products:

- Macquarie Super and Pension Manager
- Macquarie Super and Pension Manager II
- Macquarie Super Accumulator
- Macquarie Super and Pension Consolidator
- Macquarie Super and Pension Consolidator II, or
- Macquarie SuperOptions.

Please note that if you have a pension account and have nominated a reversionary beneficiary then you will be unable to also make a non-lapsing death benefit nomination (including a child pension nomination) for that account.

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How is my child's account operated?

Where your child is under age 18 or is otherwise legally unable to manage their own affairs your child must have a representative appointed to their account.

Representatives acceptable to the trustee include:

- a surviving parent
- the child's guardian
- the child's legal personal representative, or
- the trustee of a trust established for the child's benefit.

The trustee of the Macquarie Superannuation Plan may require a potential representative to complete a statutory declaration to ensure that proceeds of the pension are used for the child's benefit.

Children over the age of 18 and not suffering from a legal disability will be responsible for managing their own account but will be subject to any restrictions applied under the nomination (refer to *What restrictions may I apply to my child pension nomination?* below for more information).

What decisions will be made by my child or their appointed representative?

Your child, or their appointed representative where applicable, will be responsible for all administration and investment decisions relating to the child pension. This may include the amount of pension that is to be paid to the child each year (where you have not specified an annual pension amount in child pension schedule).

How are pension payments made?

Pension payments and lump sum commutations can be made to a bank account held:

- in your child's name
- in the name of your child's appointed representative as trustee for the child, or
- in the name of a trust established for your child's benefit.

What restrictions may I apply to my child pension nomination?

You may elect to restrict your child's ability to alter your prespecified annual pension payment amounts and frequency up to a nominated age. You may also restrict the payment of any lump sum withdrawals until your child reaches that same nominated age.

However, you cannot restrict your child's ability to rollover the benefits to another provider. Your child may, therefore, roll the benefits to another fund and access a lump in that other fund.

We will be bound by your instructions with regard to the annual payment amount and the payment of a lump sum withdrawal (unless we are required by law to make such a payment). Once your child reaches the age of 25, any amount remaining in the pension account must be paid in full as a lump sum (regardless of any restrictions you have placed on the annual payment amount), unless they suffer from a qualifying disability.

How do I nominate a child pension?

Complete the following forms:

- a *Non-lapsing Death Benefit Nomination* form, available from your adviser or from Macquarie, nominating your child as a beneficiary, and
- a *Child Pension* Schedule outlining the terms of the pension.

For more information, speak to your financial adviser. Your nomination of a child pension is binding on the trustee and must therefore be made in the prescribed manner and consented to by the trustee to be effective. A nomination cannot be made, amended or revoked by power of attorney or by any other agent.

Please note

Where we agree to the terms of the child pension as specified by you in your nomination, the terms cannot be changed after your death. As we agree to be bound by your instructions in advance and the terms cannot be changed by anyone other than you, it is very important that your nomination is kept up to date.

When nominating a child pension we recommend that you seek advice from an appropriately qualified professional to ensure that your nomination is able to meet your individual estate planning and/or taxation requirements.

To contact Macquarie Wrap call **1800 025 063**.

Macquarie Wrap Superannuation Child pension schedule

Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281
Macquarie Superannuation Plan ABN 65 508 799 106 RSE R1004496



1

Personal details

Full given name(s):

Surname: Account number (if known):

Nominated child details

Please complete a separate form for each child, if applicable.

Given name(s): Date of birth: / /

Surname: Gender: Male Female Relationship to you: Child

2

Pension details

You may restrict the payment of any lump sum amounts until your child reaches a nominated age (unless we are otherwise required by law to make a payment). You may also specify the annual amount of pension to be paid to your child up to that same nominated age, subject to the prescribed minimum level of pension set by the Government.

If you do not select any pension details we will assume that no restriction on lump sum access or annual pension amount or frequency are to apply.

Where your child is under age 18 or is otherwise unable to manage their own affairs as a result of a legal disability, any discretion will fall to the child's appointed representative.

Restrictions on lump sum access, annual pension amount and payment frequency

Apply the below restrictions and do not allow lump sum access indefinitely (unless the trustee is required by law to make a payment)*

Apply the below pension restrictions and do not allow lump sum access until age:*

Annual pension amount

Please select from the options below the annual pension amount that is to be paid in respect of this nomination:

Discretionary (amount selected each year by child or appointed representative)

Minimum annual pension amount (this is the minimum level required to be paid by law. For more information, please consult your adviser)

A **specific annual pension amount** of: \$

Not increased each year

Increased annually by the inflation rate (CPI)

Increased annually by a specific amount of: % pa

Limited restriction (amount selected each year by child or appointed representative but not exceeding a maximum annual amount)

Maximum annual amount: \$

Not increased each year

Increased annually by the inflation rate (CPI)

Increased annually by a specific amount of: % pa

Payment frequency

Discretionary (frequency selected by child or appointed representative at commencement of the child pension)

Monthly

Quarterly

Half-yearly

Yearly

* Please note:

- any restriction on lump sum access will not apply if your child requests to rollover the benefits to another superannuation fund
- upon your child reaching the age of 25, any amount remaining in the pension account must be paid out in full as a lump sum (unless they qualify on disablement grounds).

3

Declaration and signature

I acknowledge that I have received and understand the terms and conditions applying to the nomination of a child pension. I understand that:

- this nomination will be binding on the trustee if the trustee consents to it
- my nomination will be valid until the trustee consents to a valid change of nomination from me
- the terms of this nomination, including any restrictions that I nominate, cannot be changed after my death, and
- my child pension nomination will lapse if I revoke my non-lapsing death benefit nomination, or amend my nomination to exclude the child named in this schedule.

Signature

Date: / / Title: Name:

4

Checklist

To ensure that your child pension schedule is processed correctly, have you:

- Completed all of your personal details?
- Completed your nominated child's details?
- Selected any payment restrictions?
- Signed the declaration?
- Completed a non-lapsing death benefit nomination form (available from your adviser)?

We can only accept an original copy of this form. Please complete and return the form to **Macquarie Investment Management Limited, GPO Box 4045, Sydney NSW 2001.**

