

Target Market Determination

For the QSuper Lifetime Pension

Product issuer: QSuper Board (ABN 32 125 059 006, AFSL 489650)
as trustee for QSuper (ABN 60 905 115 063)

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1. About this document

This target market determination (TMD) describes the class of consumers that the QSuper Lifetime Pension (the product) has been designed for, having regard to the objectives, financial situation and needs of the product's target market.

This document only contains a brief summary of the product's features and any information does not take into account your objectives, financial situation or needs. Please consider the [QSuper Product Disclosure Statement for Income Account and Lifetime Pension](#) and supplementary documents before making a decision about this product.

2. Target market for the QSuper Lifetime Pension

This section summarises the overall class of consumers who are likely to fall within the target market for the QSuper Lifetime Pension product.

The Lifetime Pension product is designed for consumers who:

- Have a goal/need for a superannuation product that enables the consumer to receive:
 - Regular income payments for life, with the option for a spouse to continue to receive income payments for life if they live longer (where the spouse protection option is chosen)
 - Money-back protection so the purchase price is paid back as income payments or a remainder is paid to beneficiaries in the event of the consumer's death (subject to legislative maximums)
 - A potentially higher Age Pension than the consumer may otherwise have qualified for (if the consumer is eligible for the Age Pension).
- Also meet the following conditions:
 - Australian citizen or resident
 - Have a superannuation balance of at least \$10,000
 - Are between their 60th and 80th birthday at commencement
 - Have met a condition of release including:
 - Must be permanently retired (including ceasing an employment arrangement on or after age 60 or reaching age 65)
 - Have met another condition of release which was previously approved by QSuper (e.g. totally and permanently disabled)
 - Are prepared to accept that they will not have access to the capital used to purchase the product.

This Lifetime Pension product is not designed for consumers who:

- Continue to be employed
- Are not between their 60th and 80th birthday at commencement
- Require access to lump sum withdrawals for these funds or liquidity
- Require insurance cover through this product
- Want the ability to make investment decisions on how their superannuation balance is invested
- Have or will exceed their transfer balance cap by acquiring this product.

3. Product description and key attributes

The key product attributes of the Lifetime Pension are:

- Regular tax-free income payments for life which are not dependent on life expectancy or account balance
- Annual adjustments to the payment amount which may go up or down, but will generally increase over time
- The convenience of managing the product online, which allows consumers to view their payment rates, payments received, and update their member details
- Optional spouse protection, which allows the Lifetime Pension purchaser to nominate a valid spouse aged over 60 to receive income payments for the rest of their life in the event of the product purchaser's death
- Money-back protection, which is designed so that the Lifetime Pension purchaser (or beneficiaries) receive at least the purchase price back as either pension payments or as a death benefit (subject to a legislative maximum known as the capital access schedule)
- Ability to exit the product during the six-month cooling-off period (an adjustment for negative returns may apply)
- Ability to exit the product in the case of a terminal medical condition (an adjustment due to the capital access schedule may apply)
- Where eligible for the Age Pension, the Lifetime Pension may result in a better outcome under the income and assets test (although in some circumstances, it may result in a detrimental effect on the income and assets test depending on applicable government deeming rates).

Target market likely objective: to receive regular income payments for life and the option to nominate your spouse to receive the income payments for life in the event of the member's death.

Target market likely financial situation and need: consumers seeking regular, tax-free income in retirement for life (and the life of their spouse if the spouse protection option is chosen).

QSuper Lifetime Pension product details

Class of consumer: Members looking to receive regular income payments for life.

Life stage is retired.

The table below sets out the class of consumer that the Lifetime Pension product has been designed for.

Age	Between 60th and 80th birthday at commencement
Risks willing to accept	<p>Payment adjustments: your payments will vary annually in line with the financial performance of the Lifetime Pension pool. The pool performance is determined by the Retirement Income account Balanced option investment performance, fees and costs of the Lifetime Pension product, and the mortality experience of the members of the pool.</p> <p>Illiquidity risk: after the cooling-off period, you cannot access the money you used to purchase a Lifetime Pension. You will also not be able to transfer your Lifetime Pension to another superannuation fund.</p>
Characteristics	<p>If you are:</p> <ul style="list-style-type: none"> • Seeking an income for the rest of your life and the life of your spouse (if you choose that option) • Prepared to accept you will not have access to the capital used to purchase this product • Prepared to accept that income payments will generally increase over time, though they may go up or down from year to year based on the financial performance of the Lifetime Pension investment pool.

QSuper recommends that consumers seek financial advice when making any investment decision.

Refer to [QSuper Product Disclosure Statement for Income Account and Lifetime Pension](#) for further information.

4. Consistency between target market and the product

- This product is consistent with the consumer's likely objective, financial situation, and needs. It can provide consumers with regular tax-free allocated income payments for life, a level of money-back protection, beneficial treatment under the Age Pension, and a spouse protection option in the event of death.
- The distribution conditions are reasonable for this product offering given licensed financial advisers can provide a consumer with personal advice on whether the product is appropriate for them and QSuper representatives are trained in providing general advice to consumers on product features.

5. How this product is to be distributed

Distribution conditions

The QSuper Lifetime Pension product is designed to be distributed by licensed financial advisers or directly to members by QSuper representatives (online, in person or by telephone). This product should not be distributed in other circumstances or where a person is ineligible to acquire the product or requires insurance (such as death, total and permanent disability and income product) under the product.

The product should not be distributed to a consumer who is not in the target market outlined above unless there is a personal financial product advice arrangement where the consumer's personal objectives, financial situation and needs have been considered, and where the best interest duty applies.

Adequacy of distribution conditions and restrictions

QSuper has determined that the distribution conditions and restrictions outlined above are appropriate, will assist in the product being distributed to the target market, and help ensure that consumers who acquire a QSuper Lifetime Pension are in the target market for which it has been designed. This is due to:

- The product's eligibility criteria and permitted distribution channels restricting access to the product and making it likely that the product will be distributed to consumers in the target market for which this product is designed.
- The distribution conditions and restrictions reduce the risk of the product being distributed to consumers outside the target market.
- Permitting distribution of the product to a consumer outside the target market for this product under a personal financial product advice arrangement where the financial adviser has determined the product is appropriate for the consumer after taking into consideration the personal objectives, financial situation and needs of the consumer.

6. Reporting and monitoring this target market determination

All distributors who are regulated people must report complaints and significant dealings to us in accordance with the following information:

- Distributor reporting entity name
- ABN
- AFSL number
- Contact details
- Report date
- Report period start/end date.

Information should be sent to: DDOReporting@QSuper.com

Distribution means 'retail product distribution conduct' in relation to a consumer.

Distribution includes:

- Dealing in a financial product
- Giving a disclosure document in relation to offering a financial product
- Providing a PDS
- Providing financial product advice.

A distributor is a regulated person who issues or sells a product and is an AFS licensee or their authorised representative.

Complaints

Distributors must report the number of complaints in relation to the product(s) covered by this TMD on a quarterly basis. Reporting is required as soon as practicable but within 10 business days of the end of a calendar quarter.

This will include the substance of complaints and general feedback relating to the product and its performance.

The type of data required for a complaint:

- Product
- Complaint ID
- Date complaint received
- Complaint issue
- Complaint content
- Complaint status
- Compensation
- Who made the complaint
- AFCA status
- AFCA reference.

Significant dealings

Distributors must report if they become aware of a significant dealing in relation to this TMD within 10 business days.

A significant dealing includes:

- High proportion of consumers who have acquired the product but are not in the target market, including those consumers who have been specifically excluded from the target market
- Identifying potential/actual harm to consumers outside of the target market acquiring the product
- Distribution which is inconsistent with this TMD which is significant in nature and extent
- High proportion of transfers into the product from consumers outside the target market
- A significant number of consumers outside the target market acquiring the product over an extended time-period.

The type of data required for a significant dealing:

- Product
 - Date of significant dealing
 - Client
 - Description
 - Why it is significant
 - How it was identified
 - Financial impact to member (if any)
 - Steps to rectify.
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7. Reviewing this target market determination

We will review this target market determination in accordance with the below:

Initial review	5 October 2021
Periodic reviews	Within 24 months of the last review
Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ol style="list-style-type: none">1. A material change to the design or distribution of the product, including related documentation2. Occurrence of a significant dealing3. Distribution conditions do not make it likely that consumers who acquire the product are in the target market4. Identification of significant detriment to consumers if TMD was not reviewed5. External events such as adverse media coverage or regulatory attention6. Significant changes in metrics, including, but not limited to:<ol style="list-style-type: none">a. significant increase or significant repeated occurrence of complaintsb. significant increase in members cancelling the product within the cooling off period7. A change has occurred that suggests the product is no longer consistent with the likely goals and needs of the target market8. The inability to continue to offer income payments.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days of it being identified.

8. Important dates

Date from which this target market determination is **effective** – 5 October 2021

Date when this target market determination was **last reviewed** – 5 October 2021

Date when this target market determination will be **next reviewed** – 5 October 2023