

# Child Income account

**Terms & Conditions**

**1 July 2025**



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## Important Information

This Terms and Conditions document (T&Cs) describes the main features, benefits, conditions and risks of BUSSQ's Child Income account and has been prepared and issued by BUSS (Queensland) Pty Ltd ABN 15 065 081 281 AFSL 237860, Trustee for Building Unions Superannuation Scheme (Queensland) (BUSSQ) ABN 85 571 332 201.

It will help you to understand how a Child Income account will meet all or part of the financial needs of the child in your care.

## Getting advice

These T&Cs contain general information only. Therefore, it has been prepared without taking into account the child's individual financial needs, circumstances and objectives. You should consider whether the information is appropriate for your personal financial situation and needs, and obtain financial advice tailored to the child's personal circumstances.

## Explanation of terms used

Throughout this document we have tried to use simple language to explain the BUSSQ Child Income account. However, there were occasions where some terms could not be simplified. If you would like an explanation of a term that was used in this booklet call **1800 692 877**.

For more information about BUSSQ's awards and ratings refer to [bussq.com.au](https://bussq.com.au). Past performance is not a reliable indicator of future performance.

# Welcome

**You are receiving this booklet because the child in your care is the beneficiary of their parent's BUSSQ superannuation benefit and therefore may be eligible to receive a BUSSQ Child Income account.**

We understand that the loss of a parent can be an extremely emotional and sad time.

As the primary caregiver of the deceased's child, you will be responsible for making important decisions on behalf of the child until he or she becomes an adult.

One decision will be to consider the most appropriate way to protect the child's financial security going forward.

A BUSSQ Child Income account is a simple way to provide an income to dependant children until they become an adult.

BUSSQ is a profit for members industry super fund, where our members and their families come first.

You can be comfortable knowing that the best interests of the child in your care is important to us.

This document is designed to make sure you have the information you need to make informed choices about the BUSSQ Child Income account.

# Why choose BUSSQ?



## Industry fund

BUSSQ is an industry fund that has been providing superannuation services to the building, construction and civil industries for over 40 years. As a profit for members industry fund, our members and their families always come first.



## Strong, long term investment returns

BUSSQ has consistently delivered strong long term returns for members, having been awarded a *SuperRatings* Platinum Performance rating 15 years in a row. BUSSQ's Income account products were awarded *SuperRatings* 2025 Platinum Rating for providing the greatest potential to maximise members' retirement savings in a well serviced, secure environment, with a well-priced benefit offering.\*



## Investment choice

BUSSQ has a pre-designed investment mix which is based on the child's age group. The mix reflects the investment timeframe until the child turns 18. Alternatively, BUSSQ has a number of different investment options, each with a distinctly different investment objective and strategy.



## Financial advice

BUSSQ members have access to personal financial advice at no additional cost. The advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. The cost of this advice is included in the administration fees and costs. BUSSQ members also have access to tailored retirement advice which is advice on transition to retirement and retirement income streams. If the advice given extends beyond a member's BUSSQ super account, an additional fee is payable which will be detailed in the Statement of Advice your advisor gives you. Personal advice is provided by one of our financial planners who are Authorised Representatives of Industry Fund Services Limited (IFS) (ABN 54 007 016 195 AFSL 232514). IFS is responsible for any advice given to you by its representatives.

Further information about the advice services that can be provided is set out in our *Financial Services Guide* which can be downloaded at [bussq.com.au](https://bussq.com.au) or call us for a copy on **1800 692 877**.



\* Issued by SuperRatings Pty Ltd (SuperRatings) ABN: 95 100 192 283 a Corporate Authorised Representative (CAR No.1309956) of Lonsec Research Pty Ltd ABN 11 151 658 561, AFSL No. 421445 (Lonsec Research). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. You should consider the appropriateness of the advice, having regard to your personal circumstances, objectives, financial situation and needs, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit [superratings.com.au](https://superratings.com.au) for ratings information and to access the full report. ©2025 SuperRatings. All rights reserved.

# About the BUSSQ Child Income account

## What is it?

A BUSSQ Child Income account is a simple way to provide an income to support children under the age of 25, or certain other children that have a financial dependency or disability, in the event of a parent's death.

A BUSSQ Child Income account allows the primary caregiver of the child access to the deceased's super benefit as a flexible income stream to assist with living expenses for the child. A regular income can assist when it comes to paying bills such as school fees and providing all those extras that may not ordinarily be within your budget.

## What are the benefits?

A Child Income account offered through a super fund can provide many benefits, including:

- As the child's carer, you will be eligible to receive a regular income paid directly into your bank, building society or credit union account, to help with the child's living expenses
- Take advantage of the tax free investment earnings and other tax benefits that apply to the BUSSQ Child Income account
- Make lump sum withdrawals (with approval) for specific needs of the child in addition to the regular income payments you receive
- The Child Income account may be eligible for the Headstart Bonus explained on the next page.

## How does it work?

When a BUSSQ Child Income account is opened, as the primary caregiver you decide, within set limits, how much you want to receive as a regular income payment and the frequency of those payments.

Once the Child Income account is opened, the account balance will begin to move up and down with investment earnings. It will decrease when payments are deducted from your account, when any lump sum withdrawals are made, and with any negative investment earnings. Any payments made are deposited directly into your nominated bank, building society or credit union account to provide for the child in your care. The child's regular income payments will continue to be paid until the money in the account runs out, the child turns 18 and opts to take a lump sum, or the child turns 25 (see page 6 for more information). At this point, any remaining balance will be paid to the child as a lump sum.

### Example

**Below is an example of how a BUSSQ Child Income account works:**

Bob has one child, Daniel, who is under 18.

Daniel lives with his mother, who is Bob's ex wife.

Unfortunately, Bob passes away when Daniel is still quite young. BUSSQ determines that Daniel is the beneficiary of Bob's super and it is agreed that this will be paid using a Child Income account.

Bob also had another super fund, and the value of that fund, which was also left to Daniel, was able to be added to the amount used to open the Child Income account.

A regular payment is made to Daniel's primary carer, in this case his mother, to help cover the living costs associated with raising Daniel. Daniel's mother can choose the frequency and amount of payments, between a designated minimum and maximum amount. She can also apply to BUSSQ for lump sum payments to assist with educational and medical expenses.

When Daniel turns 18 the remaining balance in his Child Income account will be paid to him as a lump sum, or he can continue to receive regular income payments until he turns 25.

**The BUSSQ Child Income account offers a flexible and practical alternative to other arrangements, such as using the Public Trustee. The BUSSQ team are here to help with any questions that may come up along the way.**

### PLEASE NOTE

If the child's deceased parent has multiple superannuation fund accounts, you may be dealing with a number of benefits in the child's name, managed by different companies or agencies. At your request, other superannuation funds can transfer the amounts into the deceased parent's BUSSQ account. Doing so can make administration simple as there is only one account to manage and a single payment to keep track of. This step must be completed before the Child Income account can be opened, as once the account is opened, you cannot add other funds to it. The BUSSQ team is here to answer your questions and assist with this process – just call us on **1800 692 877**.

## What happens when the child becomes an adult?

When the child turns 18 they must have the balance of their Child Income account paid to them as a cash lump sum, unless continuing to live with the primary carer and studying full time until they reach age 25. The only exception to this is, if the child is permanently disabled in which case there is no age limit.

We will write to both you and the child as their 18th birthday approaches to offer assistance in making a decision about how to manage funds that remain in the Child Income account.

## Headstart Bonus

BUSSQ pays a Headstart Bonus when an eligible Child Income account is opened. To be eligible the deceased parent holding the BUSSQ Superannuation account must have been a member of BUSSQ for more than 12 months.

The Headstart Bonus is a tax saving that we are able to pass on to our members. For members holding a BUSSQ Super account or Transition to Retirement (TTR) Income account, we set aside money for any capital gains tax payable when investment assets are sold. When a Child Income account is opened the funds transferred into this account become tax exempt and the money previously set aside to cover any tax payable can be released as a credit.

The amount of the Headstart Bonus is determined by:

- BUSSQ's tax position over time
- The account balance history over time
- The chosen investment options, including their taxation position and the timing of any switches that have been made between investment options.

The Headstart Bonus is currently zero for the Cash investment option as there are no capital gain liabilities for this investment option.

The Headstart Bonus will be added to the account balance before the Child Income account is opened and will be included when determining the minimum and maximum payment rates and it counts towards the child's Transfer Balance Cap.

### PLEASE NOTE

The Headstart Bonus can reduce to zero for all investment options in times of negative returns.

## Transfer balance cap

A transfer balance cap may apply to amounts transferred into the Child Income account. This generally only applies to very large superannuation balances, and BUSSQ will let you know if this affects the child in your care. More information about how transfer balance caps apply can be found at [ato.gov.au](https://ato.gov.au).

## Things to be aware of

BUSSQ cannot guarantee that the Child Income account payments will last until the child becomes an adult. Irrespective of the investment option or mix of options chosen, the account balance will decrease if the return on investment is less than the income payments drawn from the account each year. Once the account reaches a zero balance, the account will close.

There is no guarantee that the investment options chosen will always achieve positive returns.

There is limited access to withdraw lump sums in the event of medical and educational costs required for the child. All lump sum withdrawals are subject to approval by the Trustee.

# Choose payment options

There are a number of things you need to consider when working out how much you will need to receive as regular income payments to support the child.

**These include:**

- How long the income payments need to last,
- How much the child needs to live on and any associated expenses, and
- Any other income you are receiving.

## Range of payments

The federal government has set an annual minimum limit which is the minimum amount that must be paid in any one financial year from the child's BUSSQ Child Income account. You can elect to draw anywhere between the legislated minimum and 10% maximum per annum. If the account is opened after 1 July, the minimum amount is pro-rated. Remember, if you draw out more than the account's investment earnings in a financial year, the balance at the end of that financial year will be lower.

## Frequency of payments

You can choose how frequently you want the BUSSQ Child Income account payments deposited into your nominated bank, building society or credit union account.

The payments will generally be made fortnightly or monthly. Payments can be made outside of this range (i.e. quarterly, half yearly or yearly). However, these payment options are used less frequently as the main reason for receiving the Child Income account payments is to fund the ongoing every day expenses of the child in your care. You can choose the frequency of the Child Income account payments to suit your needs.

No matter what payment frequency you choose, there remains a requirement to receive at least the minimum legislated amount of the account balance.

## When payments start

The BUSSQ Child Income account payments will start as soon as all the paperwork has been finalised and the account is opened.

Payments will be deposited into your nominated bank, building society or credit union account at your requested frequency. Fortnightly payments will commence from the next payment date after the account is opened. If you have requested payments monthly, or less frequently, they will be paid on the 15th of the month, or the closest business day.

Payments will continue to be made for as long as there is money in the account.

## Lump sum withdrawals

The Trustees will consider requests to withdraw a lump sum from a BUSSQ Child Income account under limited circumstances. A lump sum is an amount separate to the regular income payments being made into your nominated bank, building society or credit union account.

Lump sums are only available in the following cases:

- Medical expenses for the child,
- One off educational expenses for the child, or
- Other one off expenses for the child where approved by the Trustee.

In order to lodge a request to withdraw a lump sum, the Trustee must receive a letter outlining the amount required and the reason for the claim. In addition, supporting documentation is required to prove the stated expense has been incurred or is to be incurred.

Claims are approved at the discretion of the BUSSQ Trustee and the BUSSQ Insurance Committee. To ensure a claim is always in the best interests of the child, the Trustee reserves the right to either decline a claim or request further information. To find out how a lump sum is taxed go to page 23.

# Managing the account

## How earnings are applied to your account

When the child's money is invested in a BUSSQ Child Income account, a number of units are bought in the chosen investment option(s). The number of units you receive depends on the value of the units (the unit price) at the date they are bought.

The value of your investment from then on depends on the number of units held and the value of those units, much like owning shares.

### Example

If **\$150,000** is invested in the Balanced Growth Income account option on 1 July when units in that option are valued at **\$1**, the income account will have:

Initial investment	<b>\$150,000</b>
Value of units at 1 July	<b>\$1</b>
Number of units bought	<b>150,000</b>

**If on 1 August the unit price increases to \$1.01 then you will have:**

Number of units	<b>150,000</b>
Values of units	<b>\$1.01</b>
Value of your investment	<b>\$151,500</b>

## The value of units

The nature of investment markets means that the value of the units can rise or fall. The unit price reflects the performance of the investments in the chosen option(s). This is why it is important to choose an investment option that is in the child's best interest, as different options have different levels of volatility.

## Withdrawals from your Child Income account

When payments are made from a BUSSQ Child Income account, you are really withdrawing a number of units.

### Example

If you then make a withdrawal of \$5,000 on 1 August:

Value of units owned	<b>\$151,500</b>
Withdrawal	<b>\$5,000</b>
Number of units withdrawn	<b>4950.5 at 1.01 per unit</b>
Number of units remaining	<b>145,049.5</b>
Value of your remaining units	<b>145,049.5 x 1.01 = \$146,500</b>



## Determining the unit value

The unit value is determined by taking into account the change in value of investments within the relevant investment option and deducting any relevant fees, costs and taxes. The unit price is calculated daily on business days\*.

In times of high volatility, BUSSQ reserves the right to suspend the calculation of unit prices.

## Switching options

BUSSQ gives you the flexibility to switch your investment option or mix of options at any time.

Switches received before the daily cut off are effective two business days\* later.

Unit prices are declared daily on business days and the daily switch cut off time is 6pm (AEDT/AEST^).

### How do I notify BUSSQ about my switch?

There are a few ways to change your investment selection.

- **Over the phone** – by calling BUSSQ on **1800 692 877**.
- **Via form** – use a *Member Investment Choice* form. You can download this form from **bussq.com.au**.

Once you have completed the *Member Investment Choice* form you can mail it to:

**BUSSQ**  
**GPO Box 2775,**  
**Brisbane QLD 4001**

or scan and email to **super@bussq.com.au**.

You will receive confirmation of your switch following the receipt of your request.

## Accounts and statements

A statement showing the Child Income account details as at 30 June each year will be sent to you in September each year.

You can phone or email BUSSQ at any time to get information about your Child Income account balance.

\* A business day is a day that is not a Saturday, Sunday, national public holiday or public holiday specific to Sydney, NSW

^ AEST = Australian Eastern Standard Time (eg. during winter, 6pm in QLD). AEDT = Australian Eastern Daylight Time (eg. during summer, 5pm in QLD).

# Risks to consider

There are various types of risk associated with investing in a super fund and the most important are discussed here.

All investments are subject to varying risks and generally all investments change in value over time. Different asset classes perform differently at different times.

## Manage risk with diversification

The effect of these risks is reduced by diversification, that is, by investing in a wide range of different types of investments, such as those in which BUSSQ invests.

The risk profile and investment objectives of BUSSQ's investment options are outlined from page 19.

Because each of BUSSQ's investment options have a different investment mix, the risks of investing in each option are different.

While each of the risks identified can happen, the risks marked in the following table are the ones we believe are the most significant for each.

## Types of risk to consider



**Inflation** – The risk that inflation may exceed the return on your investment. This means that the purchasing power of your investment will be reduced.



**Market** – The risk that the performance of the market as a whole will affect the investment option's returns. The market can be affected by economic, technological, political or legislative conditions, world events and even market sentiment.



**Individual investment** – The risk that individual assets fall in value as a result of changes in the internal procedures or management of a fund or entity in which BUSSQ invests.



**Interest rate** – The risk that changes in interest rates can impact directly or indirectly on investment returns.



**Currency** – The risk that changes in the value of currencies can affect the return on overseas investments. A rise in the Australian dollar relative to the currency in which the asset is invested may result in a fall in the capital value of your overseas asset.



**Derivatives** – The investment managers included in these investment options may include derivatives as a method of managing risk or gaining exposure to other types of investments. The risks associated with derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the fund not being able to meet payment obligations as they arise and counterparty risk where the counterparty cannot meet its obligations.



**Regulatory** – The risk of changes in government policy or legislation which may affect your ability to access your benefits. For example, amendments to the treatment of superannuation interests of members in family law matters means that your super benefit may be split with your spouse in the event of your divorce or permanent separation.



**Timing** – The risk that you may try to time the market and buy low and sell high. This will increase the volatility of your investment and increase the risk. Most people cannot successfully time the market.



**Liquidity** – As super is a long term investment BUSSQ invests some of the fund in assets such as property, infrastructure and agriculture that cannot be liquidated quickly. BUSSQ manages this with regular reporting from our investment consultants and by ensuring that enough cash is held to meet most short term requirements.

## Asset type and risk

Risk Type	Defensive	Balanced Growth	High Growth	Cash	Australian Shares	Australian Shares (Small Companies)	International Shares	International Shares (Emerging Markets)
Inflation				✓				
Market	✓	✓	✓		✓	✓	✓	✓
Individual investment	✓	✓	✓		✓	✓	✓	✓
Interest rate	✓	✓	✓	✓	✓	✓	✓	✓
Currency	✓	✓	✓				✓	✓
Derivatives	✓	✓	✓		✓	✓	✓	✓
Regulatory	✓	✓	✓	✓	✓	✓	✓	✓
Timing	✓	✓	✓	✓	✓	✓	✓	✓
Liquidity	✓	✓	✓		✓	✓	✓	✓

## Understand investment risk

Because the child's money is invested in financial markets, it is exposed to investment risk.

Investment risk is the degree to which returns go up and down in value over time. You cannot consider return without risk and, generally, the higher the potential return, the higher the risk. In order to achieve higher returns you must be willing to take on more risk. While shares, property and fixed interest securities might offer higher long term returns than cash, they also expose you to higher levels of risk, particularly in the short term.

## Think about your investment time frame

The investment time frame is the length of time you believe you will need to receive an income for the child in your care. This period becomes very important when choosing an investment option or mix of options.

## Understand your tolerance to risk

Tolerance to risk is an important factor to consider before making an investment choice. Everyone has a different tolerance to risk and you need to be comfortable with the level of risk that is associated with the investment option or mix of options you choose on behalf of the child in your care.

You don't have to make investment decisions on your own. As the child in your care is a BUSSQ member you have access to personal financial advice on investment choice at no extra cost\*. Call us on **1800 692 877**.

Refer to the *Risks to consider* section from page 10 for more information.

## Diversification helps reduce risk

Because you cannot tell how each asset class will perform over a future period, diversifying or spreading your investments across a range of asset classes has the potential, over time, to smooth out the ups and downs associated with the returns on your investment.

The risk/return profile of each of BUSSQ's pre-mixed options is determined by how much is allocated to growth assets relative to defensive assets. The greater the proportion of growth assets, the riskier the investment becomes, but similarly, the greater the potential return over the longer term.

BUSSQ has taken a slightly more conservative investment approach to its Child Income account investment options compared to its MySuper and Premium Choice accumulation products. This applies to the Defensive Income, Balanced Income and High Growth Income investment options.

\* Personal advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. This advice is provided by an Authorised Representative of Industry Fund Services Limited (IFS) (ABN 54 007 016 195 AFSL 232514).

## Measuring risk

A Standard Risk Measure (SRM) for investment options has been developed for super funds to make it easier to compare investments options (both within and across super funds). The SRM is designed to allow you to compare investment options that are expected to deliver a similar number of negative returns over any 20 year period. There are seven risk bands:

<b>Risk band</b>	<b>Risk level</b>	<b>Estimated number of negative annual returns over any 20 year period</b>
<b>1</b>	Very low	Less than 0.5
<b>2</b>	Low	0.5 to less than 1
<b>3</b>	Low to medium	1 to less than 2
<b>4</b>	Medium	2 to less than 3
<b>5</b>	Medium to high	3 to less than 4
<b>6</b>	High	4 to less than 6
<b>7</b>	Very high	6 or greater

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

The use of the SRM is endorsed and strongly recommended by the Australian Prudential Regulatory Authority (APRA), Australian Securities and Investments Commission (ASIC), Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC) for all Australian super funds.

# Investment choice

## Why make a choice

Choosing an investment option or mix of options means that the account is invested in a way that best suits the child's needs and circumstances. Factors such as age, tolerance to risk and timeframe all impact your investment decisions.

## Selection made easy

BUSSQ has put together a range of pre-designed investment mixes to suit the age of the child. These are shown in the table. If you do not nominate an investment option on your application form, BUSSQ will invest your child's funds in the age bracket pre-designed investment applicable to your child's age at commencement of the Child Income account.

### PLEASE NOTE

We do not automatically change the pre-designed investment mix as your child gets older. We will write to you as the child gets older to remind you that you may like to update their investment mix

## These are divided into three broad groups:

Age of child	Investment mix
0 - 7	Primarily growth assets
8 - 11	A mix of growth and defensive assets with a focus on growth
12 - 18	Primarily defensive assets

## The pre-designed investment mixes are:

Pre-designed investment mixes				
Age range	High Growth Income Account	Balanced Growth Income Account	Defensive Income Account	Cash <small>(Income payments made from this option)</small>
0 - 3	80%	0%	0%	20%
4 - 7	65%	15%	0%	20%
8 - 11	40%	40%	0%	20%
12 - 15	0%	60%	20%	20%
16 - 18	0%	0%	20%	80%

Income payments will be deducted from the Cash option. If the Cash option has a nil amount, or there is not enough invested in it to cover the requested amount, the income payment will be deducted proportionally across all of the investment options you have in the pre-designed investment mix for your child's particular age range.

## Choose your own investment options

Alternatively, you may choose one or more investment options that will best suit the child's needs. To do this, you need to complete the 'Investment Choice Income account' form available on our website [bussq.com.au](https://bussq.com.au) or call us on **1800 692 877** and we'll send you the form.

For further information please refer to the Investment options section from page 19.

You can choose from:

**Three pre-mixed options** – consisting of a pre-determined combination of growth and defensive asset classes.

- Defensive Income account
- Balanced Growth Income account
- High Growth Income account

and

**Five single asset class options** – 100% invested in a single asset class.

- Cash
- Australian Shares
- Australian (Small Companies) Shares
- International Shares
- International (Emerging Markets) Shares

You can change your strategy as the child's financial or personal circumstances change.

## Decide which investment option to deduct payments from

If you select more than one investment option, you may choose how the payments are deducted. If you don't choose an investment option for the deduction of payments, these payments will be deducted proportionally across all of the investment options you have selected.

## Managing the Child Income account

As the primary caregiver of the child, managing the Child Income account is just like managing any other type of investment you may have. It's about finding the balance between security and performance that you feel comfortable with and then putting an investment plan into action. The aim is to help you achieve the best financial outcome for the child in your care.

## Before you start to invest

To assist you to make decisions about the BUSSQ Child Income account, you can access personal financial advice on investment choice at no extra cost\*. Call us on **1800 692 877**.

Before you receive advice, it is important that you take the time to understand the basics. This will help you to determine your risk tolerance and investment return expectations and help put you in a better position to select the investment option, or mix of investment options that are best suited to the age of the child in your care.

\* Personal advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. This advice is provided by an Authorised Representative of Industry Fund Services Limited (IFS) (ABN 54 007 016 AFSL 232514).

## Investment basics

It is important that you take the time to understand the basics, as it will help you to determine your risk appetite and tolerance as well as your investment return expectations. It will put you in a better position to select the investment option or mix of investment options that you want to invest the child's income account into, and that are best suited to them.

BUSSQ invests your superannuation through suitably qualified fund managers across eight main types of investments or asset classes:

- **Cash:** Includes money invested in term deposits and bank bills where interest is earned on the cash invested, similar to having money in a bank account. Over the long term, cash is likely to produce the lowest return of all the main asset classes.
- **Shares (Australian and International):** Generally purchased through a stock exchange. When you buy a share you become part owner in the company that has issued the share. Companies issue shares to raise capital. As part owner, you are entitled to any company profits, distributed as dividends. As the value of the company rises or falls, due to performance, industry conditions and other factors, the value of your share also rises or falls.
- **Fixed Interest or Bonds:** Is money lent to governments, semi-government bodies and corporations where interest is paid at an agreed rate for an agreed term. These investments can be held until they mature, with returns coming from the interest payments that are made. They are also commonly traded, with the price received for the investment reflecting the difference between the current interest rates and the interest rate and duration on the fixed interest investment. Fixed interest investments are generally fairly stable, however their value is affected by interest rate and currency movements.
- **Property (Australian):** Includes investments in land and buildings that can be bought, sold or leased, such as shopping centres or office blocks. Returns on property investments are influenced by many factors including supply, demand and market conditions.
- **Agriculture:** Encompasses farming and farming related commercial activities such as livestock and timber and involves all the steps required to send an agricultural good to market i.e. production, processing, and distribution.
- **Infrastructure:** These investments comprise of assets such as airports, seaports, roads, bridges, tunnels, utilities, power stations, wind farms and natural resources such as mines.
- **Opportunistic Growth:** Is a direct investment in a company which is not listed on a stock exchange. These type of investments are often made to expand or restructure a company, or for new product development.
- **Opportunistic Debt:** Works in a similar way to fixed interest investments, however the investments are generally in private corporate loans and not government or corporate bonds.

Investments in Shares and Fixed Interest can be made in Australia or overseas. In fact, the Australian share market accounts for less than 2% of the world share markets. When investing overseas, returns can also be affected by changes in the value of the Australian dollar. These changes can enhance overseas returns (when the Australian dollar is falling) or detract from overseas returns (when the Australian dollar is rising).



## **BUSSQ's skilled investment managers**

We are constantly monitoring markets and their impact on BUSSQ's investment portfolio. Our portfolios are managed by a range of experienced and skilled investment managers who use a disciplined investment process to identify good quality investments. We are committed to managing a well diversified portfolio that is designed to provide good returns over the long term.

The asset allocation is sometimes adjusted in line with changes in the market and to meet the stated investment strategy of the option.

## **Investing the child's money**

An Investment Committee, appointed by the BUSSQ Board, makes recommendations to the Board about where BUSSQ members' money should be invested. The Investment Committee and the Board obtain professional investment advice from its investment consultant, Frontier Advisors.

Assets are allocated within ranges set by the BUSSQ Board after advice from its investment consultant. The asset allocation ranges are the minimum and maximum amounts we can invest in each asset class. The Board reviews these ranges on a regular basis, and sets an asset allocation for each diversified option, known as a strategic asset allocation. The actual asset allocation can vary from the strategic asset allocation at any time based on our outlook for the economy or investment markets.

Specialist investment managers are interviewed and selected for each of the asset classes. They are selected on a management and performance basis and are required to report regularly to the Board. The investment managers are constantly monitored by BUSSQ.

Details of where funds are invested can be found in the Portfolio Holding Disclosure section at [bussq.com.au/disclosure](https://bussq.com.au/disclosure).

## **Derivatives**

BUSSQ and its investment managers have the discretion to invest in derivative financial instruments from time to time. This is generally done to either hedge away a particular risk or to immediately rebalance the investment portfolio in a quick and efficient manner.

## Labour standards and environmental, social and ethical considerations

BUSSQ's Responsible Investment Framework includes the assessment of Environmental, Social and Governance (ESG) considerations when selecting, retaining or redeeming the investments of BUSSQ.

The broad investment objective of BUSSQ is to maximise investment returns, after considering the risks associated with various types of investments. ESG considerations are one of several factors that form part of the risk assessment when appointing external investment managers or investment strategies. BUSSQ considers the overall cost, risk and opportunity of a decision, against the benefits of the expected outcome.

ESG considerations include (but are not limited to) the consideration of climate change, human capital management and labour standards (including modern slavery in our supply chain) and governance practices (including transparent reporting) as part of this framework.

Some of BUSSQ's assets are invested in pooled funds and therefore, the responsible investment decision making is determined by the investment managers of those funds, with BUSSQ advising our views and preferences where it considers this to be appropriate. BUSSQ will otherwise rely on the managers to take ESG risks into account as they consider appropriate.

## Appointing and monitoring investment managers

When appointing investment managers, BUSSQ and our investment advisor assess the extent to which the manager integrates ESG issues into its decision-making processes. This forms one part of the overall suitability assessment of the investment manager.

Ongoing monitoring of our investment managers includes consideration of (but not limited to) investment performance, adherence to style/process, ESG integration and risk management. Any issues that arise, including significant changes or inaction on a manager's behalf may impact our overall assessment of that manager. This is formally assessed as part of our investment advisor's overall annual review of investment managers with ESG considerations tabled for regular discussions with our investment managers.

## Net zero and climate change

BUSSQ considers that climate change may have a negative impact on the portfolio due to its impact on the environment and society. We believe it is appropriate to investigate and manage this risk in the portfolio.

BUSSQ incorporates climate change issues where measurable into investment processes and decision making. This includes seeking to understand the impact of relevant climate change risks and opportunities which contributes toward the overall evaluation of new investments, and in understanding any climate change issues within each of the major asset classes.

Whilst BUSSQ has not yet developed a target and policy on net zero, we encourage our underlying investment managers to develop their own policies and action plans to move to net zero.

## Investment exclusions

BUSSQ prefers its investment managers to have a broad investment opportunity and only exclude in limited circumstances. Please see our Portfolio Holdings Disclosure for more information on all investments\* at [bussq.com.au/disclosure](https://bussq.com.au/disclosure)

We currently exclude investments in companies classified as being in the tobacco industry according to the Global Industry Classification Standard (GICs) – GICs code 302030 are not permitted. This does not exclude packaging, sales or distribution<sup>#</sup>.

You can find more information on our approach to Environmental, Social and Governance (ESG) on our Responsible investing webpage at [bussq.com.au](https://bussq.com.au)

\* Oil, gas and coal are not generally excluded from our investments.

# Our pooled investments have either an explicit tobacco exclusion or an exclusion on investments that manufacture tobacco products or derive more than 20% of their latest revenue from retail sales or distribution of tobacco products, or supplying products essential to the tobacco industry (revenue is based on analysis of the financial statements of each company which the investment manager sources from [msci.com/our-solutions/esg-investing/principles-of-sustainable-investing](https://msci.com/our-solutions/esg-investing/principles-of-sustainable-investing)).

# Investment options

BUSSQ's Child Income account offers eight investment options (three pre-mixed options and five single asset class options).

## Pre-mixed options

### Balanced Growth Income account

Designed for medium to long term investors. Balanced Growth is a diversified, pre-mixed option. It provides a mix of growth and defensive assets such as shares, property and fixed interest securities.

#### Investment objective<sup>^</sup>

To beat the Consumer Price Index by 3.25% per annum over a 10 year period, after investment fees and costs, and investment taxes.

#### Asset allocation

Asset class	Benchmark	Range
Australian Shares	23.75%	15 - 35%
International Shares	25.75%	15 - 35%
Opportunistic Growth	6.0%	0 - 10%
Property	8.0%	5 - 20%
Infrastructure	13.0%	5 - 20%
Agriculture	4.0%	0 - 10%
Opportunistic Debt	8.0%	0 - 10%
Fixed Interest	8.0%	5 - 20%
Cash	3.5%	0 - 10%

#### Suggested minimum investment timeframe

At least five years.

#### Likelihood of negative annual return\*

The frequency of negative annual returns is expected to be 3 to less than 4 years over any 20 year period\*

#### Risk level\*



### Defensive Income account

Designed for short to medium term investors looking for stable returns with minimal capital growth. The Defensive option provides investment mainly in cash and fixed interest securities, with moderate exposure to growth assets, such as shares and property.

#### Investment objective<sup>^</sup>

To beat the Consumer Price Index by 1.50% per annum over a 10 year period, after investment fees and costs and investment taxes.

#### Asset allocation

Asset class	Benchmark	Range
Australian Shares	9.5%	5 - 15%
International Shares	9.0%	5 - 15%
Opportunistic Growth	0.0%	0 - 10%
Property	10.0%	5 - 20%
Infrastructure	13.0%	5 - 20%
Agriculture	4.0%	0 - 10%
Opportunistic Debt	8.0%	0 - 25%
Fixed Interest	24.0%	15 - 50%
Cash	22.5%	10 - 30%

#### Suggested minimum investment timeframe

At least three years.

#### Likelihood of negative annual return\*

The frequency of negative annual returns is expected to be 1 to less than 2 years over any 20 year period\*.

#### Risk level\*



\* The likelihood of a negative annual return and the risk level are based on the Standard Risk Measure set out on page 13. <sup>^</sup> Refer to BUSSQ's most recent Annual Report for actual returns.

## High Growth Income account

This option may suit long term investors looking for potentially higher returns and capital growth who can tolerate a higher level of risk and volatility. High Growth provides a high allocation of investments to growth assets, such as shares.

### Investment objective<sup>^</sup>

To beat the Consumer Price Index by 3.75% per annum over a 10 year period, after investment fees and costs and investment taxes.

### Asset allocation

Asset class	Benchmark	Range
Australian Shares	29.0%	20 - 45%
International Shares	34.0%	20 - 45%
Opportunistic Growth	7.5%	0 - 15%
Property	8.0%	5 - 20%
Infrastructure	13.0%	5 - 20%
Agriculture	4.0%	0 - 10%
Opportunistic Debt	4.5%	0 - 20%
Fixed Interest	0.0%	0 - 30%
Cash	0.0%	0 - 10%

### Suggested minimum investment timeframe

At least 10 years.

### Likelihood of negative annual return\*

The frequency of negative annual returns is expected to be 4 to less than 6 years over any 20 year period\*.

### Risk level\*



## Single asset class options

### Cash

This investment option is for investors who are risk averse and looking for a 100% cash investment. This option may suit members who are willing to sacrifice overall return in favour of less risk and a steady rate of return.

### Investment objective<sup>^</sup>

To beat the Bloomberg AusBond Bank Bill Index over a 12 month period, after investment fees and costs and investment taxes<sup>#</sup>.

### Asset allocation

Asset class	Benchmark
Cash	100%

### Suggested minimum investment timeframe

Less than 12 months.

### Likelihood of negative annual return\*

The Cash pool aims to avoid negative annual returns in any year\*.

### Risk level\*



\* The likelihood of a negative annual return and the risk level are based on the Standard Risk Measure set out on page 13. <sup>^</sup> Refer to BUSSQ's most recent Annual Report for actual returns.

<sup>#</sup> Index returns adjusted for implied superannuation tax (where applicable).

### Australian Shares

This investment option is for investors looking for a stand alone Australian Shares investment. This option is a sector specific option and invests 100% in Australian Shares.

**Investment objective^**

To beat the S&P/ASX 300 Index (adjusted for franking credits) over a 10 year period, after investment fees and costs and investment taxes#.

**Asset allocation**

Asset class	Benchmark
Australian Shares	100%

<b>Suggested minimum investment timeframe</b>	At least 10 years.
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<b>Likelihood of negative annual return*</b>	The frequency of negative annual returns is expected to be 6 years or more over any 20 year period*.
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<b>Risk level*</b>	<div><div>1234567</div><div>Very LowVery High</div></div>
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### Australian (Small Companies) Shares

This investment option is for investors looking for a stand alone investment, focused on shares in smaller Australian companies. This option is a sector specific option and invests 100% in Australian Shares and, in particular, smaller listed companies.

**Investment objective^**

To beat the S&P/ASX Small Ordinaries Index (adjusted for franking credits) return over a 10 year period, after investment fees and costs and investment taxes#.

**Asset allocation**

Asset class	Benchmark
Australian (Small Companies) Shares	100%

<b>Suggested minimum investment timeframe</b>	At least 10 years.
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<b>Likelihood of negative annual return*</b>	The frequency of negative annual returns is expected to be 6 years or more over any 20 year period*.
--	--

<b>Risk level*</b>	<div><div>1234567</div><div>Very LowVery High</div></div>
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\* The likelihood of a negative annual return and the risk level are based on the Standard Risk Measure set out on page 13. ^ Refer to BUSSQ's most recent Annual Report for actual returns.  
# Index returns adjusted for implied superannuation tax (where applicable).

## International Shares

This investment option is for investors looking for a stand alone International Shares investment. This option has variable currency hedging depending on market conditions and the assessed relative value of the Australian dollar.

### Investment objective<sup>^</sup>

To beat the MSCI All Country World Index (excluding Australia) over a 10 year period, after investment fees and costs and investment taxes<sup>#</sup>.

### Asset allocation

Asset class	Benchmark
International Shares	100%

### Suggested minimum investment timeframe

At least 10 years.

### Likelihood of negative annual return<sup>\*</sup>

The frequency of negative annual returns is expected to be 6 years or more over any 20 year period<sup>\*</sup>.

### Risk level<sup>\*</sup>



## International (Emerging Markets) Shares

This investment option is for investors looking for a stand alone investment in International Shares in emerging market countries (e.g. Brazil, India, China). This option is unhedged, which means that it will be subject to fluctuations in performance because of currency movements.

### Investment objective<sup>^</sup>

To beat the MSCI Emerging Markets Index over a 10 year period, after investment fees and costs and investment taxes<sup>#</sup>.

### Asset allocation

Asset class	Benchmark
International (Emerging Markets) Shares	100%

### Suggested minimum investment timeframe

At least 10 years.

### Likelihood of negative annual return<sup>\*</sup>

The frequency of negative annual returns is expected to be 6 years or more over any 20 year period<sup>\*</sup>.

### Risk level<sup>\*</sup>



<sup>\*</sup> The likelihood of a negative annual return and the risk level are based on the Standard Risk Measure set out on page 13. <sup>^</sup> Refer to BUSSQ's most recent Annual Report for actual returns.

<sup>#</sup> Index returns adjusted for implied superannuation tax (where applicable).

# Tax and your Child Income account

## Tax on income

As the Child Income account is in the child's name, all income payments from the account are taxed as the child's income. By law, all regular BUSSQ Child Income account payments are subject to tax at the adult marginal tax rates. However a 15% tax offset applies to the taxed element of the payment.

Where the deceased member (the child's parent) was over the age of 60 then the taxed element of the payments will be tax free.

Please see the table below for further explanation on the tax on superannuation income streams paid to a child:

Type of benefit	Age of deceased	Age of beneficiary	Tax treatment	
			Taxed element	Untaxed element
Superannuation income stream paid to dependant	60 years or older	Any age	Tax free	Taxed at marginal rates with a 10% tax offset
	Under 60 years	Under 60 years	Taxed at marginal rates with a 15% tax offset	Taxed at marginal rates with no tax offset

## Tax on investment earnings

Investment returns earned in a BUSSQ Child Income account are tax free. This is one of the benefits of a BUSSQ Child Income account. If the money was invested outside super, investment returns would be subject to tax.

## Make sure we have the child's Tax File Number

As the payments received from a BUSSQ Child Income account are classified as income, the child in your care will need to have a Tax File Number (TFN) and may need to lodge a tax return with the Australian Taxation Office (ATO) at the end of each financial year.

If the child in your care doesn't have a TFN, you can apply to the ATO by downloading and completing the Tax File Number - application or enquiry for individuals form (NAT 1432) from the ATO's website at [ato.gov.au](https://ato.gov.au).

You can post the form and certified copies of the child's identification documents to the address specified on the Tax File Number - application or enquiry for individuals form (NAT 1432). **Do not mail your original identification documents to the ATO as they will not be returned.**

## Tax on lump sum withdrawals

If approved to do so by BUSSQ's Trustee, you can make a lump sum withdrawal request from the BUSSQ Child Income account in certain circumstances. In the majority of cases, any lump sum withdrawal is paid tax free.

As any decision to make a withdrawal from the child's BUSSQ Child Income account can affect how long income payments will continue, we recommend you seek professional advice before you request a withdrawal.

### PLEASE NOTE

This is only an overview of how benefits from a BUSSQ Child Income account may be taxed. We suggest you speak to a qualified tax adviser on how this will affect the child's personal circumstances.

## Tax File Number (TFN) information

BUSSQ is authorised under the *Superannuation Industry (Supervision) Act 1993* (SIS) to collect, use and disclose your TFN. Advising BUSSQ of the child's TFN is voluntary and it is not an offence if you choose not to provide it. BUSSQ is required by law to take the necessary steps to properly safeguard the child's TFN.

BUSSQ may disclose the child's TFN to another superannuation fund if the benefit is transferred, unless you tell us in writing not to disclose the TFN to any other fund.

### PLEASE NOTE

If you choose not to provide the child's TFN to BUSSQ, payments made from the Child Income account will be subject to PAYG tax at the highest marginal rate, plus the Medicare levy. This may be recovered after lodgement of a tax return.



# Fees and costs

## Consumer advisory warning

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term results. 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 adviser.

### 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) website ([moneysmart.gov.au](https://moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

## Fees and other costs

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole. Other fees, such as activity fees and advice fees for personal advice may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry and exit fees cannot be charged. Taxes are set out on the previous pages. You should read all the information about fees and costs because it is important to understand their impact on your investment. The fees and other costs for the Child Income account are shown in this section. Additional information on fees and other costs is set out on the following pages.

## Fees and costs summary

Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<i>Administration fees and costs</i>	\$3.50 per week	The dollar based weekly administration fee of \$3.50 is deducted from your account monthly.
	0.18% p.a. of your account balance.	The percentage-based administration fee of 0.18% p.a. is deducted daily from the investment option before BUSSQ declares a unit price, capped at \$1,000 p.a.
<i>Investment fees and costs<sup>2</sup></i>	Balanced Growth Income account 0.53% p.a. Defensive Income account 0.41% p.a. High Growth Income account 0.53% p.a. Cash 0.10% p.a. Australian Shares 0.37% p.a. Australian (Small Companies) Shares 0.58% p.a. International Shares 0.54% p.a. International (Emerging Markets) Shares 0.83% p.a.	Deducted daily from the investment option before BUSSQ declares a unit price.
<i>Transaction costs<sup>2</sup></i>	Balanced Growth Income account 0.14% p.a. Defensive Income account 0.12% p.a. High Growth Income account 0.15% p.a. Cash 0.03% p.a. Australian Shares 0.09% p.a. Australian (Small Companies) Shares 0.09% p.a. International Shares 0.11% p.a. International (Emerging Markets) Shares 0.20% p.a.	Deducted daily from the investment option before BUSSQ declares a unit price.

### Member activity related fees and costs

<i>Buy-sell spread</i>	Nil	Not applicable
<i>Switching fee</i>	Nil	Not applicable
<i>Other fees and costs<sup>3</sup></i>	Refer to the 'Additional explanation of fees and costs' section.	

1. If your account balance for a product offered by BUSSQ is less than \$6,000 at the end of the financial year (30 June), 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. These percentages are an estimate based on the costs incurred for the 12 months ending 30 June 2024. The investment fees and costs include an amount of up to 0.31% for performance fees and the calculation basis for this amount is set out under the 'Additional explanation of fees and costs' section.
3. Refer to the 'Additional explanation of fees and costs' section.

## Balanced Growth - Income account option

The following table gives an example of how the ongoing annual fees and costs for the Balanced Growth Income account option can affect your Child Income account over a one year period. You should use this table to compare this product with other Child Income account products.

EXAMPLE - Balanced Growth Income account option		Balance of \$50,000
Administration fees and costs	\$3.50 per week plus 0.18% p.a. of your account balance.	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment <b>\$90</b> in administration fees and costs, plus <b>\$182</b> regardless of your balance.
<b>PLUS</b> Investment fees and costs	0.53% p.a. of your account balance.	<b>And</b> , you will be charged or have deducted from your investment <b>\$265</b> in investment fees and costs.
<b>PLUS</b> Transaction costs	0.14% p.a. of your account balance.	<b>And</b> , you will be charged or have deducted from your investment <b>\$70</b> in transaction costs.
<b>EQUALS</b> 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 <b>\$607</b> for the superannuation product.

\* Note: Additional fees and costs may apply. These are explained in the 'Additional explanation of fees and costs' section.

## Cost of product for one year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a one year period for all superannuation products and investment options. It is calculated in the manner shown in the 'Example of annual fees and costs'. The cost of product information assumes a balance of \$50,000 at the beginning of the year. Additional fees such as a buy-sell spread may apply: refer to the 'Fees and costs summary' for the relevant superannuation product or investment option. You should use this figure to help compare superannuation products and investment options.

Investment option	Cost of product
Balanced Growth Income account	\$607
Defensive Income account	\$537
High Growth Income account	\$612
Cash	\$338
Australian Shares	\$502
Australian (Small Companies) Shares	\$607
International Shares	\$597
International (Emerging Markets) Shares	\$787

\* Note: 'Income account' investment options references apply to the Child Income account.

## Additional explanation of fees and costs

### Defined Fees

Types of fee or cost	How these fees and costs apply to BUSSQ Child Income account
<p><b>Administration fees and costs</b> are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:</p> <p>(a) relate to the administration or operation of the entity; and</p> <p>(b) are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</p>	<p>The administration fees paid by members are transferred to the General Reserve to help meet administration and operating costs of the Fund. These costs include the Trustee Service Fee paid into a Trustee Capital Reserve in BUSS (Queensland) Pty Ltd, Trustee for BUSSQ. This fee provides the Trustee Company with capital to ensure the Trustee's ongoing capital adequacy. For the year ending 30 June 2024, the administration costs paid from the General Reserve did not exceed the administration fees paid into the General Reserve. The 0.18% p.a. administration fee is subject to a fee cap of \$1,000 p.a. as explained in the High Balance Fee Cap section.</p>
<p><b>Investment fees and costs</b> are fees and costs that relate to the investment of the assets of a superannuation entity and includes:</p> <p>(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and</p> <p>(b) costs incurred by the trustee of the entity that:</p> <p>(i) relate to the investment of assets of the entity; and</p> <p>(ii) are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</p>	<p>The investment fees and costs included in the Fees and Costs Summary section are for the management of assets in each investment option. BUSSQ estimates these costs for each new financial year based on the actual costs for the prior financial year.</p> <p>The costs may include payment of a performance fee, which is explained in the Investment Performance Fees section on page 30.</p>
<p><b>Transaction costs</b> are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.</p>	<p>The types of transaction costs depend on the type of asset being bought or sold by the Fund's underlying investment managers. Examples of transaction costs include:</p> <ul style="list-style-type: none"> <li>■ Brokerage: is an amount payable to a broker for undertaking a transaction for the acquisition or disposal of a financial product;</li> <li>■ Buy-sell spreads: see definition in the next section;</li> <li>■ Settlement and clearing costs: are the costs charged by a facility like a stock exchange for trading financial products;</li> <li>■ Stamp duty: is a charge governments' place on legal documents for the transfer of real estate or other assets.</li> </ul> <p>The Fund estimates these transaction costs for each new financial year based on the actual costs for the prior financial year. The transaction costs for each investment option are included in the Fees and Costs Summary section. The costs are deducted daily from the investment option before BUSSQ declares a unit price.</p>
<p>A <b>buy-sell spread</b> is a fee to recover costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.</p>	<p>BUSSQ does not currently charge a buy-sell spread fee. Any buy-sell spread costs are included in Transaction costs.</p>
<p>A <b>switching fee</b> for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.</p>	<p>BUSSQ does not currently charge an investment switching fee.</p>
<p>An <b>exit fee</b> is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.</p>	<p>Exit fees are not allowed. BUSSQ does not charge an exit fee.</p>
<p>A fee is an <b>activity fee</b> if:</p> <p>(a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:</p> <p>(i) that is engaged in at the request, or with the consent, of a member; or</p> <p>(ii) that relates to a member and is required by law; and</p> <p>(b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a buy sell spread, a switching fee, an advice fee or an insurance fee.</p>	<p>BUSSQ does not currently charge activity fees for Family Law transactions, contribution splitting, contribution refunds, and lost member search fees. BUSSQ will notify you in advance if it introduces activity fees for transactions like this.</p>

Types of fee or cost	How these fees and costs apply to BUSSQ Child Income account
<p>A fee is an <b>advice fee</b> if:</p> <p>(a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:</p> <p>(i) a trustee of the entity; or</p> <p>(ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and</p> <p>(b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.</p>	<p>BUSSQ members have access to personal financial advice at no additional cost. The advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. The cost of this advice is included in the administration fees and costs.</p> <p>BUSSQ members also have access to tailored retirement advice which is advice on transition to retirement and retirement income streams. If the advice given extends beyond a member's BUSSQ super account, an additional fee is payable which will be detailed in the Statement of Advice your advisor gives you. Personal advice is provided by one of our financial planners who are Authorised Representatives of Industry Fund Services Limited (IFS) (ABN 54 007 016 195 AFSL 232514). IFS is responsible for any advice given to you by its representatives.</p>

## Investment performance fees

The 'investment fees and costs' defined on the previous pages and detailed in the 'Fees and costs summary' may include an amount for investment performance fees. Some of BUSSQ's investment managers will be eligible to receive performance based fees if they outperform a target return. A target return is set as a percentage in excess of an index or other suitable benchmark, above which a performance fee is payable.

Performance fees are calculated on an average of the previous five financial years. These fees will vary in the future depending upon factors including performance targets and investment results from underlying investment managers.

The performance fees in the following table are included in 'investment fees and costs' in the 'Fees and cost summary'.

Investment option	Performance fee
Balanced Growth Income account	0.02%
Defensive Income account	0.02%
High Growth Income account	0.02%
Cash	0.00%
Australian Shares	0.05%
Australian (Small Companies) Shares	0.31%
International Shares	0.00%
International (Emerging Markets) Shares	0.09%

## Additions or alterations to fees

The Trustee can change the fees that will be applied to your account. You will be given at least 30 days' notice before any increase in fees deducted directly from your account takes effect. BUSSQ fees are not negotiable.

## Low balance fee cap

If your account balance is less than \$6,000 on 30 June or the date you leave the BUSSQ Fund, then certain fees and costs charged to you are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded. The cap applies to the total of your administration fees, investments fees and costs, and transaction costs.

## High balance fee cap

The percentage based administration fee of 0.18% p.a. is subject to a cap of \$1,000 in a financial year. BUSSQ will assess the combined total of your eligible account balances at the end of the financial year (June 30), and any percentage based administration fees above \$1,000 will be rebated to your main account as a credit in the following financial year. To be eligible for the credit you will need to be a member of BUSSQ when the credit is applied. This amount will appear as a single transaction and will be reported on future annual statements. BUSSQ regularly reviews its fee cap rules.

Eligible accounts are any of the following accounts:

- BUSSQ MySuper account
- BUSSQ Premium Choice account
- BUSSQ Transition to Retirement Income account
- BUSSQ Retirement Income account
- BUSSQ Term Allocated Pension account\*
- BUSSQ Child Income account

You do not need to complete any paperwork as the rebate will be automatically applied to your account.

## Tax deductible expenses

BUSSQ receives a tax deduction for certain expenses, such as insurance premiums, administration costs, investment fees and other expenses.

Any tax benefit of insurance premiums and administration costs are retained by the Fund for the benefit of all members.

Where a tax deduction is available for investment costs and expenses, the benefit is either passed onto members through lower taxation and reduced investment fees and costs or retained for the benefit of all members.

## Tax and Income accounts

For information on tax on Child Income account payments, lump sum withdrawals, investment returns and benefits transferred at death, refer to the 'Tax and your Child Income account' section on page 23 .

\* This product closed to new accounts on 24 February 2023.

# Other important information

## Reserving policy

As required by legislation, BUSSQ maintains an Operational Risk Financial Requirement (ORFR) Reserve of 0.25% for the Fund and 0.1% for BUSSQ's Pooled Superannuation Trust.

BUSSQ also maintains a General Reserve with its optimum level around 0.15% of assets. For more information on reserves, see the Annual Report at [bussq.com.au/disclosure](https://bussq.com.au/disclosure).

## BUSSQ's Privacy Policy

BUSSQ respects your privacy and protecting your personal information is important to us. We comply with the Australian Privacy Principles in the Privacy Act when we handle your personal information.

To see BUSSQ's Privacy Policy go to [bussq.com.au](https://bussq.com.au) or give us a call.

## Purpose of BUSSQ

BUSSQ was established in 1985 to provide benefits for all persons working in the building, construction, civil and allied industries.

BUSSQ's focus is providing members with the means to save for a financially secure lifestyle in retirement.

As a public fund, anyone can join BUSSQ.

## Managing BUSSQ

BUSS (Queensland) Pty Ltd, is the Trustee for the Building Unions Superannuation Scheme (Queensland) (BUSSQ) and the issuer of this document. The Trustee Board is made up of an equal number of employer and member representative directors who are nominated by our sponsoring employer and member organisations:

- Queensland Master Builders Association, Industrial Organisation of Employers
- Construction, Forestry, Mining and Energy Industrial Union of Employees (CFMEU) Queensland.

The Trustee is responsible for ensuring BUSSQ is managed in the best interests of all members and their dependants. The Trustee appoints various professionals and service providers to assist with running BUSSQ.

A Trust Deed governs the operation of BUSSQ and if there are any inconsistencies between the terms of BUSSQ's Trust Deed and any disclosure documents, the terms of the Trust Deed will prevail. From time to time the Trust Deed may need to be amended. If it is, you will be notified of any changes that may adversely affect your benefits.

To see the trust deed go to [bussq.com.au/disclosure](https://bussq.com.au/disclosure)

## Complaints

If you are not happy with any aspect of your contact with BUSSQ and wish to make a complaint, you should contact the Complaints Officer:

### The Complaints Officer contact details are:

**PHONE:** 1800 692 877  
**MAIL:** Complaints Officer, BUSSQ, GPO Box  
2775, Brisbane QLD 4001  
**EMAIL:** [super@bussq.com.au](mailto:super@bussq.com.au)

Alternatively, you can make a complaint in person to a BUSSQ representative, or online via the contact us form or via BUSSQ owned or controlled social media.

The Complaints Officer will investigate your complaint on your behalf and write to inform you of the results of that investigation no later than 45 calendar days after receiving your complaint (unless the complaint relates to a Death benefit distribution, in which case the Complaints Officer will respond no later than 90 calendar days after the expiry of the 28 calendar day period for objecting to a proposed Death benefit distribution).\*

\*Sometimes we will need more time to investigate and respond to your complaint. In such a situation, before the relevant response timeframe expires, we will provide you with an Internal Dispute Resolution (IDR) delay notification which provides reasons for the delay and your right to take your complaint to the Australian Financial Complaints Authority (AFCA).

If you are not satisfied with our response or you have not received a response within the required timeframe, you may take your complaint to AFCA.

## About AFCA

AFCA provides a fair and independent financial services complaint resolution service that is free to consumers. AFCA may be able to help resolve your complaint, but only after you have made a complaint to BUSSQ.

### AFCA's contact details are:

**WEBSITE** [www.afca.org.au](http://www.afca.org.au)  
**EMAIL** [info@afca.org.au](mailto:info@afca.org.au)  
**TELEPHONE** 1800 931 678 (free call)  
**MAIL** Australian Financial Complaints  
Authority  
GPO Box 3  
Melbourne VIC 3001



# Frequently asked questions

## How long will income payments be made for?

Income payments will be made until the child turns 18 years of age, at which time the remaining funds in their Child Income account will be paid to them as a cash lump sum. If the child continues to live with the primary carer and is studying full time, income payments continue to age 25 when the remaining funds in their Child Income account are paid to them as a lump sum. The only exception is if the child is permanently disabled in which case there is no age limit. Payments will cease earlier if the Child Income account balance is reduced to \$0.

## How regularly are payments made?

You are able to choose the frequency at which you receive payments from the Child Income account. We anticipate most people will select fortnightly or monthly payments. The intention of the Child Income account is to provide regular financial support for the child.

## What tax is applied to income payments?

Where the deceased member (the child's parent) was over the age of 60 then the taxed element of the payments will be tax free.

Otherwise, payments received from the BUSSQ Child Income account are subject to the same tax as standard income for anyone under age 60 with a 15% offset on the taxed element of the payment.

A PAYG Payment Summary is issued at the end of each financial year outlining the tax position of the income amount paid from the Child Income account.

Note that the child may be required to pay additional tax depending on the total amount of income received in the financial year which was over and above the amount received from their Child Income account.

The higher rate of tax levied by the ATO for minors is not applicable to Child Income payments as they are considered 'excepted income'.

## What happens in the event of the untimely and premature passing of the Child Income account beneficiary?

If the child passes away whilst receiving BUSSQ Child Income account payments, they generally will not have a will in place so will die 'intestate'. In this situation, the Income account will be cashed out and then paid to the child's estate.

## What happens if the primary carer dies?

In the event of the primary carer dying or becoming unable to continue caring for the child, the child will need to have an alternative carer nominated to look after them if they are still under 18 years old.

This alternative carer will need to make an application to BUSSQ to ascertain their suitability and be approved to become the new primary carer of the child. The application should include legal paperwork supporting the new carer's eligibility.

During this time, regular payments from the Child Income account on behalf of the child will be suspended until the replacement carer is approved. This does not apply if the child is already over 18.

## How will this income affect any Centrelink or other government payments?

As the income from the Child Income account belongs to the child, it generally would not have an effect on any payments that you, the person caring for the child, receive. You should speak to your payment provider to confirm this. BUSSQ is happy to provide you with whatever information you require to confirm your position.

## Do you want to find out more?

Information contained within this booklet may change from time to time. BUSSQ will advise you of material changes or significant events within timeframes prescribed by law via direct communications or [bussq.com.au](https://bussq.com.au). Information in this T&Cs that is not materially adverse may change from time to time. Updated information will be available at [bussq.com.au](https://bussq.com.au) or by calling us. We will send you a copy of any changes at your request.

# What to do next?

To set up a BUSSQ Child Income account you need to complete and return the forms at the back of this Terms and Conditions document. You and the child will also need to provide proof of your identity as outlined in this section.

## Please complete and return

**Child Income account commencement form:** This form includes decisions you will need to make, such as the amount you want to receive to care for the child, how regularly you want the income payments to be made and where the Income account should be invested.

**Tax File number declaration:** This allows BUSSQ to deduct the correct amount of tax. This should be filled out on behalf of the child using the child's tax file number.

**Copy of bank statement:** The account details of where the income payments are to be paid.

If you have already provided BUSSQ with any of this information as part of the Death Claim, there is no need to provide it again.

## Make sure we have your contact details

If you have changed your contact details, or if you are about to, don't forget to let us know. This way, you will continue to receive important BUSSQ Child Income account information.

## Identification requirements

**Child:** Certified copy of Birth certificate.

**Primary caregiver:** Certified identification as per the information provided in the application form.

### Certification of personal documents

All photocopied pages of proof of identification documents need to be certified as true copies by someone approved to do so.

The person who is authorised to certify documents must sight the original and the copy and make sure both documents are identical, then make sure all pages have been certified as true copies and include a statement that the document is a true copy of the original, as well as their name, qualification (e.g. Justice of the Peace), registration number (if applicable), date and phone number.

*This page had been left intentionally blank.*

#### **BUSSQ**

Ground Floor, 299 Coronation Drive  
Milton, QLD, 4064

#### **Postal Address**

GPO Box 2775, Brisbane, QLD 4001

#### **Other important details**

USI BUS0005AU - Income account products  
Fund's Registration Number R1055870  
Trustee's Registered Superannuation Entity  
(RSE) licence number L0002158  
BUSS (Queensland) Pty Ltd ABN 15 065 081 281,  
AFSL 237860, Trustee for Building Unions  
Superannuation Scheme (Queensland)  
(BUSSQ) ABN 85 571 332 201

**100%** **Industry Super**  
Run only to benefit our members

For more information call 1800 692 877,  
email [super@bussq.com.au](mailto:super@bussq.com.au) or visit [bussq.com.au](http://bussq.com.au)

**BUSSQ**  
Queensland's building super

# Child Income account commencement

Please complete and sign this form and return by:

☒ Mail to: BUSSQ GPO Box 2775, Brisbane Qld 4001

**Need help?** If you require help completing this form call **1800 692 877** or email [super@bussq.com.au](mailto:super@bussq.com.au).

## 1 Account details

### Source of funds

Member given names

Surname

Member number

### Nominated child

Miss/Master

Given names

Surname

Gender

☐

Male

☐

Female

Date of birth (dd/mm/yyyy)

(Complete only if address is not the same as primary carer of child)

Street address

Suburb/Town

State

Postcode

### Primary carer of child

Title

Given names

Surname

Street number

Street address

Suburb/Town

State

Postcode

Postal address (if different to above)

Suburb/Town

State

Postcode

Phone number

Email

## 2 Financial institution details



Please attach a copy of a current bank statement for a personal bank account that is held in your name, or jointly in your name (BUSSQ is unable to pay your benefit into a business account). The statement must show your name, BSB and account number to enable the benefit to be paid by electronic funds transfer (EFT). Please ensure the account number provided to us is correct.

Financial institution name

Name in which the account is held

BSB number

Account number

## 3 Child income payments

Fortnightly payments will commence from the next scheduled fortnight after the Child Income account is opened. Monthly payments will be made on approximately the 15th of each month, with the first payment commencing from your nominated month of first payment.

I wish to receive the Child Income account payments (please tick which option you would prefer).

☐

Fortnightly

☐

Monthly

☐

Quarterly

☐

Half yearly

☐

Yearly

Month of next payment\*

\* Under current legislation if the account is commenced before 1 June, the first Child Income account payment must be paid before 30 June of that financial year. If it is commenced on or after 1 June, it is possible to defer the first payment until after 1 July in the following financial year if this is preferred.

The amount I wish to receive is (please tick which option you prefer).

☐ Minimum ☐ 10% Maximum

OR

An amount between your minimum and maximum \$  per payment

Please note: Any applicable taxes will be deducted from the amount requested.

## 4 Investment choice

BUSSQ's default is that funds in the Child Income account be invested according to an aged-based investment strategy. However, if you would prefer to invest differently to this, a separate *Income Investment Choice* form will need to be completed.

I would like the BUSSQ Child Income account invested in the following way. (Please tick the box that represents the child's age group):

Default investment mix						
Tick	Age range	High Growth Income Account	Balanced Growth Income Account	Defensive	Cash (Income payments are made from this option)	Total Investment
<input type="checkbox"/>	0 – 3	80%	0%	0%	20%	100%
<input type="checkbox"/>	4 – 7	65%	15%	0%	20%	100%
<input type="checkbox"/>	8 – 11	40%	40%	0%	20%	100%
<input type="checkbox"/>	12 – 15	0%	60%	20%	20%	100%
<input type="checkbox"/>	16 – 18	0%	0%	20%	80%	100%

If you require more information on the BUSSQ Child Income account investment options, please refer to the Terms and Conditions, or call BUSSQ on 1800 692 877.

## 5 Residency declaration

Please indicate the residency status of the **CHILD** for the purposes of Income account payments.

Temporary residents are not eligible to start a Child Income account. For more information call us on **1800 692 877**.

I declare that: (Please tick the box)

☐ The child in my care is an Australian citizen, New Zealand citizen or permanent resident of Australia.

\* A temporary resident is someone who holds a temporary visa as described in the Superannuation Industry (Supervision) Regulations 1994 or in the Migration Act 1958.

## 6 Privacy and other important information

BUSSQ collects your personal information to setup and administer the Child Income account. The BUSSQ Privacy Policy contains more information about how we may use or disclose your personal information, and is available from our website or by calling **1800 692 877**.

## 7 Authorisation and declaration

In signing this application:

- I agree to provide the Trustee, within a reasonable period, with:
  - Any information they may request which relates to the child in my care
  - Any changes to the information provided in this application.
- I understand that once commenced, the level of income will remain unchanged unless I advise the Trustee in writing. However, I understand that the Trustee will adjust the income payments from time to time to ensure that the level of payments do not fall outside the prescribed income levels specified by the regulatory authorities.
- I have read and understood the Terms and Conditions of the BUSSQ Child Income account and acceptance is made subject to the terms and conditions of that document.
- If deemed necessary by me, I have obtained financial advice from a licensed financial adviser concerning the investment in the BUSSQ Child Income account on behalf of the child in my care.
- I declare that all the details in this application are true and correct and that I have read in the Terms and Conditions to which this acceptance applies and agree to the offer contained in it and to be bound by the provisions of the Trust Deed (as amended) governing the fund; and if I have received these Terms and Conditions from the internet or any other electronic means, I declare that I have received it personally, or a printout of it, accompanied by or attached to the application form before making an application to BUSSQ.
- I understand and accept that the Trustee does not guarantee the performance of the investment strategy.



### Please sign and date.

Forms without both a signature and date are unable to be processed.

Signature of applicant

Dated (dd/mm/yyyy)

		/			/	2	0		
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Once completed and signed please return this form to: BUSSQ GPO Box 2775, Brisbane Qld 4001

## Checklist

Before sending, make sure you have provided the following items:

- ☐ This form completed and signed
- ☐ Certified copies of the birth certificate of the child in your care (see page 4 of this form)
- ☐ Certified copies of proof of identity for the primary carer
- ☐ Child's Tax File Number Declaration completed and signed\*
- ☐ Copy of bank statement for the account the Child Income payments are to be made to.

*\*If this form is not submitted to BUSSQ at the time the Child Income account is opened, BUSSQ will be obliged, under current tax rules, to deduct tax at the highest rate plus the Medicare levy from the payments.*

## Certified documentation

You need to provide certified documents to prove your identity. Follow the below guide and mail your certified documents with your completed form to **BUSSQ GPO Box 2775, Brisbane QLD 4001**.

Please note certified proof of identity is only valid for a maximum of 12 months from the date the identification was certified.

Certified copies of the following documents can be used to prove your identity:

### One of the following documents only:

- A current driver licence or permit issued under the law of a State or Territory.
- A passport issued by the Commonwealth which can be up to two years out of date, that contains a photograph of the person in whose name the document is issued.
- Proof of Age Card
  - A card issued under a law of a State or Territory for the purpose of providing the person's age which contains a photograph of a person in whose name the document is issued (includes Proof of Age Card or National Identity Card).
- National Identity Card
  - A card issued for the purpose of identification that contains a photograph and the signature of the person in whose name the document is issued; and
  - Is issued by a foreign government, the United Nations or an agency of the United Nations; and
  - If it is in a language that is not understood by the person carrying out the verification it must be accompanied by an English translation prepared by an accredited translator.

### One of the following documents:

- Birth certificate or birth extract
- Citizenship certificate issued by the Commonwealth
- Pension card issued by Centrelink that entitles you to financial benefits.

AND

### One of the following documents:

- Letter from Centrelink regarding a Government assistance payment
- Notice issued by Commonwealth, State or Territory Government within the past 12 months, containing your name and residential address.

For example:

- Tax Office Notice of Assessment
- Rates notice from local council.

OR

## Have you changed your name?

If you have changed your name, in addition to the above listed certified documentation, you need to supply a certified copy of one of the following documents:

- Marriage Certificate (required even if the parties are separated)
- Decree Nisi, Certificate of Divorce or Decree Absolute
- Deed Poll Documentation.

## Are you acting on behalf of someone else?

If you are signing on behalf of another person you will need to send by mail original certified copies of the following documents (we cannot accept these via email):

- Current Power of Attorney document (with each page of the document certified)
- The member's identity documents
- Your identity documents.

## Certifying your documents

All copies of proof of identity documents should be certified as a true copy of the ORIGINAL by an authorised person. Some examples of authorised persons are:

- A Justice of the Peace or Commissioner for Declarations
- A Police Officer
- A finance company officer or representative of an AFSL license holder with two or more years continuous services with one or more licensees
- A lawyer, judge or magistrate
- Permanent employee of Australia Post with two or more years of continued service.

The certifier must sight the original and make sure both documents are identical, and then make sure all photocopied pages are certified as true copies by writing or stamping wording to that effect followed by their:

- Signature
- Name
- Qualification
- Date, and
- Phone number.



I certify this is a true copy of the original document.

*Julie Preston*

Julie Preston  
Justice of the Peace  
19/06/2022  
0412 345 678



### Where to find the Card Number on your driver licence?

You can find your Card Number on the front and/or back of your driver licence. It is different from the licence number, as it's a unique identifier, which changes each time your driver licence is re-issued.

**Note:** The location for the Card Number does slightly vary amongst different state issued driver licences. The example images show where the Card Number is situated for the Queensland Driver Licence being both on the front and back.

If you need help to locate the Card Number on your driver licence, call us on **1800 692 877**.



Card Number



Card Number

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