Australian Retirement Trust

Super Savings – Corporate

Defined Benefit Handbook

Issue date: 1 July 2023

APSS (Defined Benefit Members)

apss

australianretirementtrust.com.au

Contents

Important information

This is the *Super Savings – Corporate Defined Benefit Handbook* (*Handbook*) for APSS and provides a summary of the significant information about *Super Savings – Corporate Defined Benefit accounts* in APSS. Other important information is contained in the *Super Savings – Corporate Insurance Guide* for APSS, the *Super Savings Product Disclosure Statement for Accumulation Account*, the *Super Savings Accumulation Guide* and the *Super Savings Investment Guide* (*guides*). This Handbook and the guides should be read together and understood before making a decision regarding your benefits and deciding whether to acquire, or to continue to hold, an interest in APSS. Target Market Determinations that describe who our financial products are designed for can be found at **australianretirementtrust.com.au/tmd**

You can obtain a copy of this *Handbook* and any guides referred to in this *Handbook* from **portal.australianretirementtrust.com.au/apss** or by calling us on **13 11 84**.

Copies of the ART Trust Deed can be obtained at **australianretirementtrust.com.au/prescribed-information** or by calling us on **13 11 84**.

Australian Retirement Trust is the superannuation fund that the Principal Employer, Australian Postal Corporation (ABN 28 864 970 579) and other employers that participate in the Plan (collectively referred to as Australia Post in this document) have chosen to manage their Defined Benefit plan. Associated Employers covered by this plan include StarTrack Retail Pty Ltd (ABN 53 146 789 979), StarTrack Express Pty Ltd (ABN 44 001 227 890) and Decipha Pty Ltd (ABN 31 100 126 396). Australia Post is not the issuer of this document nor are they responsible for the preparation of this document. They are not providing advice or a recommendation in relation to your benefit in the Plan. This *Handbook* contains information about the specific features of APSS in Australian Retirement Trust, including the specific details of your Defined Benefit, contributions, and death and disablement benefits. This *Handbook* applies to former members of the Australia Post Superannuation Scheme (Former Fund). The details of the Defined Benefits in APSS are documented in the APSS Benefit Deed, which is an agreement between Australian Retirement Trust Pty Ltd (the Trustee) and Australia Post (the Principal Employer). Copies of the APSS Benefit Deed can be obtained by calling us on **13 11 84**.

Your benefits are governed by the APSS Benefit Deed, and by the terms and conditions of the Trust Deed of the Australian Retirement Trust and, where applicable, the group life policies. If any statement in this *Handbook* conflicts with the Trust Deed, the APSS Benefit Deed or group life policy, then the Trust Deed provisions, APSS Benefit Deed or group life policy will override this *Handbook*.

Defined terms used in this *Handbook* are capitalised (e.g. Accrued Retirement Benefit) and defined in section 15. Product and account names are italicised (e.g. *Additional accumulation account*).

General advice disclaimer

This document contains general advice only and doesn't take into account your personal objectives, financial situation or needs. You should consider the appropriateness of the information in this document with regard to your objectives, situation and needs. You should obtain financial advice tailored to your circumstances. Call us if you would like to speak to a qualified financial adviser.

Financial Services Guide (FSG)

The FSG contains information about the financial services Australian Retirement Trust Pty Ltd (ABN 88 010 720 840, AFSL No. 228975) provides and will help you decide whether to use these services. Visit **australianretirementtrust.com.au/fsg** or contact us on **13 11 84** for a copy.

Insurance

Your Defined Benefit Death and Total & Permanent Disablement benefits are funded from the Defined Benefit assets within APSS. Any Additional insurance cover is funded through a group insurance policy issued by AIA Australia Limited (ABN 79 004 837 861 ASFL No. 230043) (AIA Australia) to the Trustee of the Australian Retirement Trust. In the event of any difference between the information in this document relating to Additional insurance cover and the group insurance policy issued by AIA Australia, the group insurance policy overrides this document. Additional insurance cover is available to eligible members on a voluntary basis.

Protecting your privacy

Australian Retirement Trust respects the privacy of the information you give us. If you require a copy of our Privacy Policy visit **australianretirementtrust.com.au/privacy** or contact us on **13 11 84**.

1. About APSS

APSS is a specialised plan within Australian Retirement Trust that offers at least equivalent benefits to those you had in the Former Fund. APSS provides benefits for members of the Former Fund who transferred to Australian Retirement Trust by a successor fund transfer on 30 April 2022 according to the APSS Benefit Deed made between Australian Retirement Trust and Australian Postal Corporation. This *Handbook* outlines the arrangements within the Plan for Defined Benefit members of the Former Fund. The Defined Benefit categories of the Former Fund were closed to new members from 1 July 2012. A separate *PDS* outlines the arrangements within APSS that apply for Accumulation members.

You remain a member of APSS while you meet the eligibility conditions under the APSS Benefit Deed. You can obtain a copy of the APSS Benefit Deed by calling us on **13 11 84.**

When the circumstances of your employment change, we recommend you contact us on **13 11 84** to discuss your benefit options.

Membership eligibility

Each member, who was a member of the Defined Benefit category of the Former Fund, is a Defined Benefit member of APSS and continues to be a member of APSS until they cease employment with Australia Post or a participating employer.

2. How super works

Super is a long term compulsory investment designed to help people save for their retirement. Most people have the right to choose the fund that they would like their employer to pay their super into. The Government also provides tax concessions, making super a tax-effective way of saving for retirement.

Your super with APSS may have both Defined Benefit and an *Additional accumulation account* that make up your total benefit. Before deciding to make any changes to your Defined Benefit or any *Additional accumulation account* you have, read this *Handbook* and the *guides*, and consider any impacts to your Defined Benefit entitlements.

Contributions

Contributions to super can include contributions by your employer, voluntary contributions paid by you, spouse contributions and Government co-contributions. For more information on what contributions you can make into your super, refer to the *Contributions* section of the *Super Savings Accumulation Guide*.

Member contributions to your Defined Benefit

As a Defined Benefit member of APSS, you are not required to personally contribute to fund your Defined Benefit.

Catch-up Members may make member contributions to "catch-up" to the maximum defined benefit that you could be entitled to. Refer to section 15. *Definitions for understanding your retirement benefit*.

Employer contributions to your Defined Benefit

Your employer, on the advice of the APSS Actuary, contributes at the rate required to fund the Defined Benefits. This rate may vary over time and is designed to ensure that there are sufficient assets in the Plan to pay benefits.

Your Defined Benefit

Your Defined Benefit in APSS is calculated by way of a formula, which is broadly related to your membership period, your salary, your employment status, your age and whether you are leaving as a result of ceasing employment due to your resignation, retirement, disablement, or death.

Your Defined Benefit is also subject to a Minimum Requisite Benefit to ensure compliance with the *Superannuation Guarantee (Administration) Act 1992*. If this applies to you, a Superannuation Guarantee Top-up amount will be included in the calculation of your Defined Benefit. The Superannuation Guarantee Top-up amount can go up or down when your Defined Benefit changes or the Minimum Requisite Benefit changes.

Your Defined Benefit will be available as a lump sum on leaving employment. Additionally, subject to preservation rules, you may be able to access your lump sum benefit as an income stream with a *Super Savings Income account* outside of APSS. Refer to section 13. *Super Savings Income accounts* for some additional information on *Income accounts*.

Importantly your Defined Benefit is funded by your employer and is not dependent on investment earnings. However, you may also have additional funds in your *Additional Accumulation account* and any such amounts will be impacted by your investment earnings.

Most people have the right to choose the fund that they would like their employer to pay their super into. However, any choice you make will impact your Defined Benefits.

Your *Additional accumulation account*

You may also have an *Additional accumulation account*, which can be one of, or a combination of, the following accounts:

- *Member contribution account*
- *Employer contribution account*
- *Rollover account.*

You can make additional voluntary contributions to the Plan at any time. You can make arrangements with your payroll department to pay these additional contributions from your after-tax salary, or before-tax salary (by salary sacrifice).

These contributions will be allocated to your *Member contribution account*. Refer to the *Super Savings Accumulation Guide* for information on salary sacrifice contributions.

If you receive any other type of contribution (for example, spouse contributions or Government co-contributions) they will be added to your *Member contribution account*.

You can also transfer or rollover other superannuation benefits into your *Rollover account*.

The value of your *Additional accumulation account* is the total of any amounts transferred from the Former Fund together with future contributions or roll-overs made to your *Additional accumulation account*, together with the investment returns (positive or negative) on those contributions, less contribution tax (where applicable). Investment returns are calculated through changes in the investment option's daily unit price. For more information about your account balance and unit pricing, please refer to the *Super Savings Accumulation Guide* and the *Super Savings* Investment *Guide*.

When any benefit becomes payable, the balance of your *Additional accumulation account* will be paid in addition to your Defined Benefit.

Legislation imposes caps (or limits) on the amount you can tax-effectively contribute and if you exceed the caps, additional tax may apply. For general information on contribution caps, refer to section 11. *How super is taxed*.

Withdrawals

Your super can generally be accessed when you stop working after age 60 (or earlier if you've reached your preservation age, between 55-60 depending on when you were born), or from age 65 (earlier access is allowed in limited circumstances). You can then make withdrawals from your super or open an *Income account* to receive a regular income. If you've reached your preservation age and are still working, you may be eligible to receive part of your super via a *Transition to retirement income account*.

Eligible contributions can also be withdrawn and used towards a first home deposit, subject to rules, tax and caps. Visit **australianretirementtrust.com.au/fhsss** for more information.

Refer to the *Accessing your super* section of the *Super Savings Accumulation Guide* for more information of when super benefits can be paid.

3. Benefits of investing with *Super Savings – Corporate*

Your *Super Savings accounts* can provide for your super needs across your lifetime.

When you have an account with us you can enjoy our focus on:

- Low Fees
- strong long-term investment returns
- outstanding services

With your Accumulation account, you can have access to insurance through your super for when life doesn't go to plan.

You can choose from our range of investment options to suit your needs.

Your benefits

As a member of APSS, you may have access to a Withdrawal Benefit, Retirement Benefit, Death Benefit, or Total & Permanent Disablement Benefit. You or your dependants may be able to take your benefits in the form of a lump sum, a *Super Savings Income account* or a combination of these, depending on your benefit category.

As a member of APSS you can benefit from Australian Retirement Trust's range of investment choices for your *Additional accumulation account*.

Easily check out your account(s)

Check your super balance, update details or manage your super and investments whenever you like:

- within our secure *Member Online*, for more information refer to **australianretirementtrust.com.au/online-access**, or
- using the Australian Retirement Trust app (head to the App Store or Google Play to download, for instructions visit **australianretirementtrust.com.au/app**). You will need to be registered for *Member Online* before you can access the Australian Retirement Trust app.

A Bonus when you Retire

You could be eligible for the Retirement Bonus we currently pay when you open a Retirement *Income account* and/or Lifetime Pension if you have been a member for a year or more and have all or part of your super invested with us. Find out about our Retirement Bonus, including eligibility, in our *Product Disclosure Statement* for Income Account and Lifetime Pension **australianretirementtrust.com.au/pds**

4. Risks of super

Risks of investing in super include:

- your Defined Benefit entitlement depends on ongoing contributions from your employer,
- the value of your *Additional accumulation account* investments will vary, the level of returns will vary, and future returns may differ from past returns,
- your Additional accumulation account returns are not guaranteed, and you may lose some money,
- you may not be able to easily and quickly turn your investments into cash,
- you may require access to your superannuation savings at the same time as the value of your *Additional accumulation account* investments incur a sudden or prolonged decline (i.e. following a significant economic or market event),
- laws may change in the future (e.g. tax, social security), and
- your Defined Benefit and *Additional accumulation account* (including contributions and returns) may not be enough to provide adequately for your retirement or your remaining lifetime.

Warning: Making any investment involves some level of risk. The level of risk you may be prepared to accept, and the investment option(s) that you select for your *Additional accumulation account*, will vary depending on a range of factors including your age, investment timeframe, the value and form of your other investments outside of super, and your tolerance for risk. Further information relating to Risk and your *Additional Accumulation account* can be found in the *Super Savings Accumulation Guide* and *Super Savings Investment Guide*.

Managing investment risks

One of the ways that we help you to manage your investment risk on your *Additional Accumulation account* is to offer a wide range of investment options that have different levels of risk. The level of investment risk in each investment option depends on the mix of the asset classes in the investment option. Assets with the highest long-term returns may also carry the highest level of short-term risk, for example, shares. More information on the level of risk for each investment option can be found in the *Super Savings* Investment *Guide*.

5. How we invest your money

Defined Benefit investment

The Trustee, in consultation with Australia Post, and the Plan Actuary decides on the investment of the assets that support your Defined Benefit entitlements. The APSS Defined Benefit reserve will be invested in same pool of assets that support your Defined Benefit.

Additional accumulation account

Your *Additional accumulation account* was initially invested in the investment option(s) that most closely matched your chosen investment option(s) in the Former Fund. For example, if your APSS Member Savings account was invested in the Balanced option, you were invested 100% in the *Super Savings* Balanced option.

Thereafter, Australian Retirement Trust will not rebalance your investment allocation. You may need to take a more active role in choosing your investment options for your *Additional accumulation account* to ensure it meets your requirements. Should you hold additional voluntary insurance cover, you must maintain a minimum balance of $6,000 within your account to keep the cover active.

If you have two or more investment options, you may wish to rebalance your portfolio on a periodic basis. Rebalancing simply means bringing the weighting of each investment option in your portfolio back into line with your original selection, by moving money from one option to another.

If you did not have a Member Savings or *Rollover account* in the Former Fund, and do not make an investment choice for your *Additional accumulation account*, then any future contributions and transfers will be allocated to the *Super Savings Lifecycle Investment Strategy*.

Investment choice and how to change your *Additional accumulation account* investment option(s)

To take a more active role in choosing how your *Additional accumulation account* is invested, you can select from our wide range of investment options consisting of diversified (multi-asset class options such as Growth, Balanced, Retirement and Conservative) and single asset class options (Shares, Property, Fixed Interest and Cash) . We offer actively managed and index options as well as hedged and unhedged currency options. Refer to the *Super Savings Investment Guide* for full details of all our investment options available for your *Additional accumulation account*.

You can easily change your *Additional accumulation account* investment option(s) via *Member Online*, or the Australian Retirement Trust app.

You should review your *Additional accumulation account* investments regularly to make sure you're on track to reach your goals.

Warning: When choosing the option(s) in which to invest, you must consider the likely investment returns, the risk and your investment timeframe and other factors to determine which investment strategy is suitable for your personal circumstances and financial goals.

Changes to the investment options we offer

We may add new investment options, close existing investment options or alter any investment option from time to time. We will notify you of any significant change.

If we close an investment option, we will move your account balance in the closed investment option to another investment option we deem to be an appropriate substitute. You will be given the choice (before the investment option is closed, if possible) to select another investment option.

6. Your benefits

APSS provides a Death Benefit, a Total & Permanent Disablement Benefit, a Retirement Benefit, or a Withdrawal Benefit on ceasing employment.

Your benefits in APSS are generally the sum of three key components:

Your Defined Benefit + your *Additional accumulation account* balance – any *Offset account* balance

Your Defined Benefit is generally expressed as your Accrued Benefit Multiple multiplied by your Benefit Final Average Salary (FAS). Your Accrued Benefit Multiple may comprise of one or more multiples and is calculated using this formula: Accrual rate (determined by your Membership Category) x Years of service (including part years and adjustments for part-time service).

Retirement Benefit

When you retire or cease employment with Australia Post or one of the participating employers in the Plan on or after age 55 (other than ceasing because of death or Total & Permanent Disablement), you will be entitled to your Retirement Benefit.

Your Retirement Benefit is calculated as:

Defined Benefit + *Additional accumulation account* balance – *Offset account* balance

Your Defined Benefit is calculated as the sum of:

- Your Benefit Multiple times your Benefit Final Average Salary
- Your Productivity Multiple times your Benefit Final Average Salary
- Your Pre 1 July 1990 Service Multiple times your Benefit Final Average Salary.

Example *(for illustrative purposes only)*

Michael has worked as a full-time permanent employee at Australia Post for 10 years after serving a three-month probationary period. During his probationary period the Superannuation Guarantee rate was 9%. If his Benefit Final Average Salary is $60,000, his Defined Benefit is calculated as calculated as the sum of:

Benefit Multiple:	14.3% x 9.75 years x $60,000	= $83,655
Productivity Multiple:	9% x 0.25 years x $60,000	= $1,350
Total Defined Benefit:		= $85,005

Late Retirement Benefit

If you continue to be employed by Australia Post or a participating employer in the Plan after the age of 65 on at least a part-time basis (at least 40 hours in 30 consecutive days during a financial year), your Retirement Benefit will continue to accrue.

If you are still working for Australia Post or a participating employer in the Plan after age 75, your Benefit Multiple and Productivity multiple ceases to accrue but your Minimum Requisite Benefit will continue to increase with service.

After you retire you can access your entire Retirement Benefit either as a lump sum or as an income stream from a *Super Savings Income account*. You can elect to take your *Additional accumulation account* either as a lump sum or as an income stream from a *Super Savings Income account* at any time after age 65. You generally can only access your Defined Benefit as an income stream from a *Super Savings Income account* after you cease employment. Please refer to the *Super Savings Product Disclosure Statement for Income Account and Lifetime Pension* for further information on applying for an *Income account*.

Example *(for illustrative purposes only)*

James retires at age 63 and has a Benefit Multiple of 4.29000, a Productivity Multiple of 0.06000 and a Pre 1 July 1990 Service Multiple of 1.45000. At the time of his retirement, his Benefit Final Average Salary is $97,000, he has $270,000 in his *Additional accumulation account* and an *Offset account* balance of $150,000 from a previous Family Law split.
His Retirement Benefit is calculated as:

Defined Benefit + *Additional accumulation account balance – Offset account balance*

= (4.29000 x $97,000 + 0.06000 x $97,000
+ 1.45000 x $97,000) + $270,000 - $150,000

= $562,600 + $270,000 - $150,000

= $682,600

The above example assumes the benefit calculated above is higher than the Minimum Requisite Benefit.

Withdrawal Benefit

Where you leave the employment of Australia Post or a participating employer in the Plan and you are not entitled to any other benefit from the Plan, a Withdrawal Benefit is payable calculated as at the date of cessation of employment.

Your Withdrawal Benefit is calculated as:

Defined Benefit + Additional accumulation account balance – Offset account balance

Your Defined Benefit is calculated as the sum of:

- Your Benefit Multiple times your Final Average Salary
- Your Productivity Multiple times your Benefit Final Average Salary
- Your Pre 1 July 1990 Service Multiple times your Final Average Salary.

Example *(for illustrative purposes only)*

Dennis resigns from Australia Post and at that time he has a Benefit Multiple of 3.24000, a Productivity Multiple of 0.23000 and his Benefit Final Average Salary at the date of resignation is $69,000. His Final Average Salary at the date of resignation is also $69,000. He also has an *Additional accumulation account* balance of $130,000, but no *Offset account*. His Withdrawal Benefit at the date he ceased employment would be

Defined Benefit + Additional accumulation account balance – Offset account balance

= (3.24000 x $69,000 + 0.23000 x $69,000) + $130,000 - $0

= $239,430 + $130,000 - $0

= $369,430

The above example assumes the benefit calculated above is higher than the Minimum Requisite Benefit.

What happens to my benefit when I leave my employer?

Effective the date you leave employment, your Defined Benefit will be transferred to an Accumulation account. This account will be invested in the same pool of assets that support your Defined Benefits, subject to a minimum investment return of 0%, until we have sufficient information to fully process your benefit , including notification of the date you ceased employment, the reason for cessation and receipt of any outstanding contributions from your employer. We will tell you what information we require from you. The processing of payments and transfers can be a lengthy process to complete, considering the level of information required and our dependency on external parties, including employers. At that time, this account will then be combined with your *Additional accumulation account* and invested according to your investment choice.

It's important to note that if you receive a Defined Benefit lump sum, this will be subject to investment returns from the date you leave employment until the date we transfer your Defined Benefit to an *Accumulation account*, or your benefit is paid.

Your benefit, including your Defined Benefit lump sum and any *Additional accumulation account*, can (subject to preservation rules) be paid to you as an income stream from a *Super Savings Income account*, or paid to you (subject to preservation rules) as a lump sum or transferred to a *Super Savings Accumulation account* or paid to another fund.

Changes in the daily unit price mean the value of your benefit will change daily. When you approach the date at which you're planning to cease work, it's important that you consider what investment option is appropriate for you. You may wish to change your investment option(s) for your *Additional accumulation account* prior to ceasing employment. Call **13 11 84** if you want to speak to one of our qualified financial advisers[1] who can give you advice on how your super is invested. Advice about your account is included with your membership. For more comprehensive advice about APSS, we may refer you to an accredited external financial adviser.[2] Advice of this nature may incur a fee.

1 Empolyees in the Australian Retirement Trust group provide advice to members and employers as representatives of Sunsuper Finanical Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), that is wholly owned by the Trustee as an asset of Australian Retirement Trust. SFS is a separate legal entity responsible for the finacial services it provides. Eligibility conditions apply. Refer to the *Financial Services Guide* at **australianretirementtrust.com.au/fsg** for more information

2 The Turstee has established a panel of accredited external financial advisers who are not employees of the Australian Retirement Trust group. The Trustee is not responsible for the advice provided by these advisers and does not receive or pay referral fees. These advisers will explain to you how their advice fees are determined.

Refer to section 9. *Insurance in your super* for details on how leaving your employer effects your Death and Total & Permanent Disability cover.

Changing from Full-time to Part-time

In the event you change from Full-time employment to Part-time employment your Defined Benefit will continue in the Plan. Your benefit will be calculated using your equivalent Full-time salary (not your Part-time salary).

Your Fund Multiple will be calculated by multiplying the percentage applicable for your category by the percentage of your Part-Time hours over your regular Full-time hours.

Example *(for illustrative purposes only)*

You are a Full Member and elect to work part-time at 60% of regular hours for 2 years and 6 months. Your *Fund Multiple* will be calculated for that period as:

= 14.3% x 2.5 years x 60%

= 0.21450

Membership during periods of leave without pay

If your employer approves a period of leave without pay, your Fund Multiple will continue to accrue at your full-time or part-time rate applicable immediately prior to you taking leave for the following maximum time frames:

- 12 months for CSS Members,
- 12 months for periods of approved maternity, paternity or adoption leave, including both paid and unpaid periods of leave, or
- 28 days for other approved leave without pay.

Your Salary will be the last advised salary prior to taking leave. You will still be eligible for Death or Total and Permanent Disablement Benefits during the period of leave, up to a maximum period of 12 months from the date leave commences.

In general, any additional insurance cover you held as at the start date of your leave will continue for up to 24 months, provided you continue to be eligible for cover during that period. For further details on how leave without pay may impact your insurance cover please refer to the *Super Savings – Corporate* Insurance *Guide* for APSS.

Upon returning to employment, your Defined Benefit will then continue to accrue as described above. Your employer will advise us of your leave status (including the type of leave you are on and whether it has been approved).

What happens during probationary employment?

If you have spent time on probation, your Defined Benefit is calculated using the Superannuation Guarantee rate multiplied by Benefit Final Average Salary for the period of probation. The Superannuation Guarantee rate is 11%* for the 2023-24 financial year.

* The accrual rate for SG Members is based on the current applicable charge rate under the Superannuation Guarantee (Administration) Act 1992 and is subject to change. Under current law it is expected to increase by 0.5% each financial year from 1 July 2023 until it reaches 12% on 1 July 2025.

Partial Withdrawals

You may transfer part or all your *Additional accumulation account* at any time to a *Super Savings Accumulation account* or to another complying superannuation fund.

Receiving benefits in cash

If you become entitled to a benefit prior to your preservation age, you may transfer the amount of the benefit to a *Super Savings Accumulation account*, or to another complying superannuation fund.

Lump sum benefits can only be paid to you as cash if you qualify under the preservation rules. Generally you will qualify where you've reached your "preservation age", between 55 and 60 depending on when you were born, and, if you are under age 60 at the time you cease employment, and you are permanently retiring from the workforce. Lump sum benefits are generally tax free from age 60. While you are under 60, and over your presevation age they are tax free up to the current Low rate cap of $230,000 for 2022-23. For further information please refer to section 11. *How super is taxed*.

Any lump sum benefit can be:

- Taken in cash (if you qualify under the preservation rules),
- Paid to you as an income stream from a *Super Savings Income account* (if you qualify under the preservation rules),
- Transferred to a *Super Savings Accumulation account*, or
- Paid to another fund.

For information on the preservation rules refer to the *Accessing your super* section in the *Super Savings Accumulation Guide*.

7. Your Death Benefit

This section outlines the Death Benefit payable if you die before you become entitled to a Retirement Benefit.

What benefit is payable if I die?

Full Members and Catch-up Members

If you are a Full Member or Catch-up Member and you die before age 60, your Defined Benefit is calculated as if you continued to work until your 60th birthday.

Your Death Benefit is calculated as the sum of:

- your Retirement Benefit (calculated as at the date of your death), plus
- a Potential Defined Benefit you would have accrued had you worked to age 60 (calculated as 14.3% x FAS x years from date of death to age 60, including part years).

Your FAS is also adjusted as if your Superannuation Salary remains unchanged from the date of death until age 60. If your Prospective FAS is greater than your FAS, an Adjustment Amount is applied to reflect the increase in FAS over the service period prior to your death.

An additional death benefit may also be paid where the sum of your Retirement Benefit and the Minimum Death Insured Amount for SG Members (see table below) exceeds your calculated death Defined Benefit. If you are over age 55 at the time of your death, your death benefit is also subject to a minimum amount equal to your Retirement Benefit.

If you die in service after age 60, your death benefit is equal to your Retirement Benefit.

SG Members

If you are a SG Member and you die while still employed, your death benefit is equal to your Retirement Benefit plus a Minimum Death Insured Amount. This is a fixed cover amount depending on your age when you die:

Age	Minimum Death Insured Amount
Under 20	Nil
20 to 34	$50,000
35 to 39	$35,000
40 to 44	$20,000
45 to 49	$14,000
50 to 55	$7,000
56 and older	Nil

CSS and Opt-out Members

If you are a CSS or Opt-out Member and you die whilst still employed, your death benefit is equal to your Retirement Benefit.

Additional Insurance and your Death Benefit

Defined Benefit members who had a *Rollover account* in the Former Fund may have or be able to apply for additional death insurance cover. Any additional death insurance cover you had on your *Defined Benefit account* will be paid into your *Additional accumulation account* when paid by the Insurer. Refer to section 9. *Insurance in your super* for more details on the additional insurance cover available.

Your Death benefit pending payment

Once we receive formal notification of your death, your Defined Benefit will be converted to an Accumulation account. This account will be invested in the Cash investment option and will remain invested there until the Trustee finalises payment of your Death Benefit.

It's important to note that if your Defined Benefit is paid as a lump sum, this will be subject to investment returns from the date of your death.

Changes in the daily unit price mean the value of your benefit will change daily.

Who receives my Death Benefit?

Binding and preferred beneficiary nominations are available for your Death Benefit.

If you have made a valid Binding Nomination, the lump sum will be paid in accordance with your nomination.

The *Binding death benefit nomination* form available at **australianretirementtrust.com.au/beneficiary** contains information about who you can nominate.

In the event of your death, your Death benefit may be paid to your preferred nominated beneficiaries (subject to Trustee direction – unless you have elected a binding death benefit nomination).

Refer to the *Nominating your beneficiaries* section of the *Super Savings Accumulation Guide* for more information on binding and preferred beneficiary death benefit nominations.

8. Your Total & Permanent Disablement benefit

A Total & Permanent Disablement Benefit will be payable if the Trustee determines that you meet the definition of *Total & Permanent Disablement* (see section 15. *Definitions for understanding your retirement benefit*).

What happens if you believe you are Totally and Permanently Disabled?

If you believe that you may be eligible to apply for a Total & Permanent Disability claim, please lodge a claim.

In order to lodge a claim for any defined total and permanent disability benefit that includes any additional insurance cover, (up to a maximum of $3,000,000) you would need to be under the care of a Medical Practitioner and still suffering from an ongoing and serious injury or illness that is permanently preventing you from working ever again.

Our Claims Representatives are here to help you every step of the way and will confirm your eligibility to lodge a claim. Following lodgement of your claim application, the Insurer (or Trustee for Self-Insured Benefits) will assess whether your claim is successful. The assessment process considers the *Total & Permanent Disability* definition at the Date of Disablement, your employment status, and the impact that your injury or illness will have on your ability to work again.

What benefit is payable if I am determined to be Totally & Permanently Disabled?

Full Members and Catch-up Members

Your Total & Permanent Disablement benefit is calculated in the same way as your Death Benefit. It is calculated effective the date you ceased employment with Australia Post or a participating employer in the plan, this may be a different date to the day you last worked.

SG, CSS and Opt-out Members

Your Total & Permanent Disablement is calculated in the same way as your Withdrawal Benefit. (see *Withdrawal Benefit* in Section *6. Your benefits*.)

Additional accumulation account

Your *Additional accumulation account* will be paid in addition to the amount calculated as your Total & Permanent Disablement. Subject to preservation rules, you can elect to take this amount either as a lump sum or as an income stream from a *Super Savings Income account*.

Example *(for Illustrative purposes only)*

Joan is a Full Member and dies on reaching age 50 while still working. At the time of her death, Joan's Accrued Benefit Multiple is 3.30000 and her accrued *Productivity Multiple* is 0.16000, her Superannuation Salary is $81,250 and her *Final Average Salary* (FAS) is $80,000. She has $140,000 in her *Additional accumulation account* and no *Offset account* balance.

Joan's death benefit is calculated as:

Benefit Multiple x FAS	= 3.30000 x $80,000	= $264,000
PLUS		
Productivity Multiple x Benefit FAS	= 0.16000 x $80,000	= $12,800
PLUS		
***Additional accumulation account* balance**[1]		= $140,000
PLUS		
Potential Defined Benefit to age 60 x Prospective FAS	= 10 years x 14.3% x $81,250[2]	= $116,187.50
PLUS		
Adjustment Amount		= $4,325[2]
Joan's total death benefit is		$537,312.50[3]

The above example assumes the benefit calculated above is higher than the Minimum Requisite Benefit.

1 Any additional death insurance cover Joan had on her account is credited to her *Additional accumulation account* when paid by the Insurer.

2 Joan's Prospective FAS is calculated assuming her Superannuation Salary remains unchanged from date of death until age 60. If this results in an increase in FAS, an Adjustment Amount is applied to reflect the increase in FAS over her service period prior to her death ($81,250 - $80,000) x (3.300 + 0.160) = $4,325.

3 Her death benefit is also subject to a minimum death benefit of $423,800, being her Retirement Benefit plus the Minimum Death Insured Amount for her age from the SG Members table in Section *7. Your Death Benefit*.

Additional Insurance and your Total & Permanent Disablement Benefit

Defined Benefit members who had a *Rollover account* in the Former Fund may have or be able to apply for additional Total & Permanent Disablement insurance cover. Any additional Total & Permanent Disablement insurance cover you had on your *Defined Benefit account* will be paid into your *Additional accumulation account* when paid by the Insurer. Refer to section 9. *Insurance in your super* for more details on the additional insurance cover available.

What happens if you are terminally ill?

If you have additional insurance cover you will be paid a Terminal Illness benefit if you provide all the required documentation to support your claim and it is approved by the Trustee and Insurer, which includes certification of the Terminal Illness by two Medical Practitioners. The benefit paid is the amount of your additional death insurance cover in force at the most recent certification (up to a maximum of $5,000,000) plus your Total and Permanent Disablement benefit. See the *Super Savings – Corporate Insurance Guide* for APSS for details.

If you do not have additional death insurance cover, the Trustee may pay you a Terminal Medical Condition benefit, subject to you meeting the definition of Terminal Medical Condition (defined in superannuation law). The amount of this benefit is equal to your Total and Permanent Disablement benefit.

Any remaining Death Benefit and any remaining *Additional accumulation account* balance will be paid to your eligible beneficiaries on your death.

9. Insurance in your super

This section outlines the insurance component of benefits that may be payable on a Defined Benefit member's Death, Total & Permanent Disablement, and the additional insurance options that are available.

Death and Total and Permanent Disablement benefits

On your Death, or Total & Permanent Disablement, your *Additional accumulation account* will be payable as an additional benefit. The benefits payable on Death or Total & Permanent Disablement, including any additional insurance cover described below, are detailed in sections 7 and 8.

Additional insurance cover

Defined Benefit members who had a Rollover (employee) account in the Former Fund may apply for Additional Death and Total & Permanent Disability insurance cover to help ensure you and your family are adequately covered. Any additional insurance cover you have on your *Defined Benefit account* will be paid into your *Additional accumulation account* once paid by the Insurer.

Premiums for any additional insurance cover are deducted from your *Additional accumulation account*.

Any application for additional insurance cover is subject to acceptance by the insurer. Satisfactory evidence of health may be required. Australian Retirement Trust reserves the right to limit the amount of additional insurance cover provided.

Remember you may have a condition that does not impede your day-to-day activities but may affect your risk assessment with the insurer.

Please refer to the *Super Savings – Corporate* Insurance *Guide* for APSS for more details on the additional insurance cover available and the cost of this cover.

What happens to my insurance cover if I leave my employer?

When we are told you have left your employer your membership in APSS will cease as well as any special arrangements. Your membership will be transferred to a *Super Savings Accumulation account*.

Effective the date you cease employment with Australia Post or one of the participating employers, the value of the self-insured component of your Potential Defined Benefit for death (including the additional fixed cover amount for SG Members) and Total and Permanent Disablement benefits, and any additional Death and Total & Permanent Disability cover you had at the time of leaving your employer will continue in a *Super Savings Accumulation account* as Tailored Death and/or Total & Permanent Disability cover on a fixed cover basis. This means your amount of insurance stays the same, but your premiums will generally increase as you get older.

Your insurance premiums and insurance fees for any additional insurance cover may alter from the amounts you were paying in APSS and will be payable in full by you. Additional fees may also apply.

Any changes to your insurance will be back dated to the date you left employment.

If you have left your employer as a result of illness or injury, Limited Cover will apply from the date of transfer until you have been *At Work* for 30 consecutive days.

If you already have a *Super Savings Accumulation account*, your cover will be replaced by the higher of your existing *Super Savings Accumulation* cover and the cover provided in your APSS account. The replacement cover will take effect the date you cease employment with your employer.

To be eligible to continue your additional Death and Total & Permanent Disability cover you must ensure regular contributions will be paid into your *Super Savings Accumulation account*.

You must let us know if you wish to cancel your cover.

Visit **australianretirementtrust.com.au/pds** for a copy of the *Super Savings PDS*.

Insurance cover for *Super Savings Accumulation account*s is provided through group life policies issued by AIA Australia Limited ABN 79 004 837 861 AFSL No. 230043 to the Trustee of Australian Retirement Trust.

Financial Advice

Working out how much insurance is right for you can be a difficult task. The amount of insurance you need will depend on a combination of things such as your liabilities, assets, ongoing expenses and your expected standard of living. Speak to your adviser or contact Australian Retirement Trust.

Call **13 11 84** if you want to speak to one of our qualified financial advisers[1] who can give you advice about your Australian Retirement Trust account. Advice about your account is included with your membership. For more comprehensive advice, we may refer you to an accredited external financial adviser.[2] Advice of this nature may incur a fee.

1 Empolyees in the Australian Retirement Trust group provide advice to members and employers as representatives of Sunsuper Finanical Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), that is wholly owned by the Trustee as an asset of Australian Retirement Trust. SFS is a separate legal entity responsible for the finacial services it provides. Eligibility conditions apply. Refer to the *Financial Services Guide* at **australianretirementtrust.com.au/fsg** for more information

2 The Turstee has established a panel of accredited external financial advisers who are not employees of the Australian Retirement Trust group. The Trustee is not responsible for the advice provided by these advisers and does not receive or pay referral fees. These advisers will explain to you how their advice fees are determined.

10. Early release of your Defined Benefit

Your super can generally be accessed when you stop working after age 60 (or earlier if you've reached your preservation age, between 55-60 depending on when you were born), or from age 65 (earlier access is allowed in limited circumstances). Under Superannuation Law, there are certain circumstances where you are permitted the early release of your benefit.

If you satisfy the requirements under Superannuation Law for the early release of your Defined Benefit, the Trustee will adjust your benefits in the Fund accordingly and your payment will be made.

For more details, or to request the release of your superannuation benefits under special circumstances, visit **australianretirementtrust.com.au/early-access** or contact us on **13 11 84**.

11. How super is taxed

Super can be a tax-effective way to build up investments to fund your retirement. Understanding how these taxes work will help you maximise your benefits. This section gives a brief summary of the way superannuation is currently taxed. Australian Retirement Trust is not a tax agent. If you need further information on the taxation of super, we recommend you talk to a financial adviser or tax adviser. Please note that additional tax considerations may apply in relation to a *Super Savings Income account*. Please refer to the *Super Savings Product Disclosure Statement for Income Account and Lifetime Pension* for more information on how *Income accounts* and pension payments from such accounts are taxed.

This tax information is based on the tax laws current when this *Handbook* was prepared and on the rates and thresholds in force for the 2022-23 tax year. You can find up-to-date tax information at ato.gov.au.

Retirement Bonus

If you receive a Retirement Bonus, it may have tax implications for you. For more information visit **australianretirementtrust.com.au/retirement-bonus**

Tax on contributions

The Government sets limits ("caps") on the amount of superannuation contributions which benefit from the maximum tax concessions provided on superannuation contributions. It also sets limits on the amount of non-concessional (after-tax) contributions that can be made to a complying superannuation fund. Special rules apply to concessional contributions for Defined Benefit members.

The following is a brief summary of the significant tax rules that apply to contributions:

Concessional contributions (where applicable) are generally taxed at up to 15% of the contribution. Contributions from after-tax sources (such as member post tax contributions and spouse contributions) are generally tax free.

Concessional contribution cap

For 2022-23 the concessional (before-tax) contribution cap is $27,500 p.a. Commencing from 1 July 2018, unused portions of the concessional contributions cap can be rolled over to future years, subject to certain conditions.

The Trustee needs to report to the Australian Taxation Office a notional Concessional Contribution for your defined benefit participation in the Plan. The level of employer contributions that your employer is required to contribute to the Plan to provide your benefits may vary from year to year. As such, it is unable or impractical to use actual contributions remitted to the Plan by your employer and a formula is substituted for reporting purposes.

A formula determines the value of your Notional Taxed Contributions for your Defined Benefit. The Notional Taxed Contribution amount (which incorporates fees and premiums paid by your employer) will count towards your concessional contributions cap and is also included in the assessment of Division 293 tax (payable if your income including concessional super contributions exceeds $250,000).

The formula will allow you to calculate if you are able to make any voluntary concessional contributions so as not to exceed the concessional contribution cap (as described above). Should the formula provide an amount in excess of the concessional contribution cap it is then limited to the cap for reporting purposes.

The formula uses the following variables:

- Your Plan salary at each 1 July – if your salary changes during the year, any increases (or decreases) are ignored.
- A New Entrant Rate (NER) percentage – this is a percentage of your salary used in the formula and this percentage may be adjusted periodically.
- Your category of membership – each category will have a unique NER percentage.

Please refer to the *Employer and Salary Sacrifice Contributions for DB Members factsheet* available at **portal.australianretirementtrust.com.au/apss** or by calling us on **13 11 84**, to see the applicable formula for your category of membership and a sample calculation.

Should you leave employment during the financial year, the formula is also pro-rated for the number of days you participate as a Defined Benefit member in the Plan.

Non-concessional contribution caps

For 2022-23, the non-concessional (after-tax) contribution cap is generally $110,000 p.a. If your 'total superannuation balance' equals or exceeds a certain amount on 30 June of each financial year ($1,700,000 for 2022-23) you will not be able to make any non-concessional contributions for the next financial year.

The non-concessional cap does not include downsizer contributions - refer to the *Super Savings Accumulation Guide* for more information.

For further information on the Government's limits on non-concessional contributions, visit **ato.gov.au**

Please seek financial advice if you are considering making large non-concessional contributions to your superannuation.

Division 293 tax

Any additional government surcharges or taxes (e.g. a Division 293 tax assessment payable if your income, including concessional super contributions, exceeds the threshold set by the Government which is currently $250,000), will be deducted from your *Additional accumulation account*.

If you do not have an *Additional accumulation account*, we may set up an *Offset account* for you.

The balance of the *Offset account* will be deducted from your final benefit. Your *Offset account* is invested in the same investment option as the Defined Benefit assets. This means that your *Offset account* may increase over time, so the amount deducted from your final benefit may be more than the government surcharge or tax.

Tax deductions for after-tax voluntary contributions

If you claim a tax deduction for an after-tax voluntary contribution, it becomes a before-tax (concessional) contribution (refer to *Concessional contribution caps* for more information). You should seek financial advice if you are considering claiming a tax deduction for your after-tax contributions.

Reduction for Tax assessments

Any additional government surcharges or taxes (e.g. a Division 293 tax assessment), will be deducted from your *Additional accumulation account* or if you do not have an *Additional accumulation account*, we may set up an *Offset account* for you. The balance of the *Offset account* will be deducted from your final benefit. You will be notified separately if this impacts you.

Tax on withdrawals and payments

Tax on withdrawals from your Defined Benefit and Additional accumulation account

Different rules will apply if you have not supplied your Tax File Number (TFN).

Type of tax: Lump sum payments[2,6,7,8]	
Age	**Details**
60 or over	Lump sum payments age 60 or over are generally tax free.
Preservation age - 59[3,9]	Tax free component is tax free, with the taxable component[4] tax free up to Low rate cap[5] ($230,000 for 2022-23 financial year). Amounts above the cap taxed at 17%.[1]
Under preservation age[3,9]	Tax free component is tax free, with the taxable component[4] taxed at 22%.[1] Low rate cap doesn't apply under preservation age.

1 Includes Medicare levy of 2%.
2 Does not apply to death.
3 See *Preservation age* for more information.
4 Applies to taxed element of the taxable component only. Untaxed element is subject to different rules.
5 Low rate cap is indexed to AWOTE in $5,000 amounts. Visit ato.gov.au for more information.
6 Tax may be payable on death or disablement benefits. If you have a Terminal Medical Condition, the benefit may be tax free. See *When are benefits paid?* for more information on when benefits are paid.
7 Departing Australia Superannuation Payment (DASP) tax rate is 65% for holders of visa subclass 417 (working holiday), 462 (work and holiday) and associated bridging visas, and 35% for other visa types, on taxable component (taxed element).
8 Withdrawals of before-tax contributions under the First Home Super Saver Scheme will be taxed at your marginal rate less a 30% offset, or a flat 17% if the ATO is unable to estimate your marginal rate.
9 Does not apply to certain payments authorised by the ATO.

Tax on *Income accounts*

Income accounts operate within a preferential tax environment to encourage you to fund your own retirement. Refer to the *Product Disclosure Statement for Income Account and Lifetime Pension* for more details on how *Income accounts* are taxed.

Tax treatment of death benefits

If you die and we pay your dependant (for tax purposes) a lump sum death benefit, it will generally be tax free. A dependant for tax purposes is:

- a spouse (including de facto),
- a child under 18 years,
- any other person who was financially dependent at the time of death, or
- any person who has an "interdependency relationship" at the time of death.

If the lump sum death benefit is paid to a person who is not a dependant for tax purposes, the taxable component will be subject to tax at 17% when it is paid out of the super fund (see *Lump sum death benefits - tax rates* table). Generally the death benefit can only be transferred as a pension to a person who is a dependant for tax purposes. The taxation treatment of the transferred pension will depend on your age and the age of your dependant (see *Pension death benefits - tax rates* table).

Lump sum death benefits — tax rates

	Tax free component	Taxable component
Paid to dependant	0%	0%
Paid to non-dependant[1]	0%	17%

1 **Please note:** when making a payment to a non-dependent, where the lump sum death benefit includes an insured death benefit component, an untaxed element will be calculated on the total lump sum death benefit. This untaxed element is subject to an additional 15% tax.

Pension death benefits - tax rates

	Tax rate on pension payments
Pension owner 60 years or over	0%
Pension owner less than 60 years • **Beneficiary less than 60**	Taxable portion taxed at beneficiary's marginal tax rate with 15% tax offset
• **Beneficiary 60 years or over**	0%

Note: beneficiary is the dependant receiving the pension.

About tax on investment earnings

Tax on investment earnings for superannuation is usually lower than on most other forms of saving.

The unit prices include an allowance for investment tax.

We regularly monitor the investment tax allowed for in the unit price of each investment option, and for each financial year, to ensure that the tax allowed for is in line with the actual investment tax incurred.

For *Additional accumulation account*s and *Transition to retirement income account*s the tax rate is 15% of investment earnings, but the actual rate may be lower because Australian Retirement Trust can offset tax payable with imputation credits from dividends on shares and other rebates. Taxes in foreign countries may also be payable in respect of income derived from non-Australian investments. These foreign taxes may be able to be offset against the actual Australian tax payable.

For *Retirement income accounts* no tax is generally payable on investment earnings.[1] However, taxes may be payable in foreign countries in respect of income derived from non-Australian investment earnings. Any entitlement to imputation credits from dividends on shares and other rebates are allowed for in the unit price of any relevant option.

1 If you set up one or more superannuation retirement pensions (like *Super Savings' Retirement income account*) with a total balance exceeding the 'transfer balance cap' ($1,700,000 for 2022-23, indexed) a penalty tax may be applicable to notional earnings on the excess amount.

How tax is paid

Australian Retirement Trust generally will pay the tax applying to your account. Contributions tax (where applicable) is deducted from your contribution prior to allocation to your account, an allowance for investment earnings tax (where applicable) is deducted from investment income and included in the calculation of unit prices and generally other taxes are deducted from your account balance.

Warning: If you have supplied your TFN to the Former Fund, your TFN will have been transferred to your APSS account. If you don't supply your TFN, you will pay more tax on contributions and any benefit paid, and you will not be able to make voluntary after-tax contributions.

Tax file number (TFN)

Your super fund is authorised to collect, use and disclose your TFN under the *Superannuation Industry (Supervision) Act 1993* (Cth). Your TFN is confidential and you don't have to supply it.

Your TFN can be used to validate your identity. If you don't supply it you may pay more tax on both contributions and any benefits paid and you will not be able to make voluntary after-tax contributions.

We use your TFN only for the purposes allowed by law. Having your TFN makes it easier for us to find you to pay your benefits, for us to accept all permitted types of contributions to your accounts, to trace benefits that may be held for you in other funds so that you receive all your super benefits when you retire and to receive any Government co-contributions you may be eligible for. We will not give your TFN to any other fund if you advise us in writing that you do not want us to do so.

Australian Retirement Trust will use your TFN (with your consent) to search for and transfer to Australian Retirement Trust any monies you may hold with the ATO or other funds, to the extent the law allows. If we find or transfer any monies, we'll let you know.

You should also be aware that your employer is obligated to pass on your TFN to the fund receiving your employment-related super contributions.

If you do not have a TFN, contact the ATO on 13 10 20.

Tax deduction for administration fees and insurance premiums

Additional accumulation accounts: Australian Retirement Trust generally receives a tax deduction for expenses we incur while we look after your super and for insurance premiums. The benefit of this tax deduction may be passed on by treating administration fees and insurance premiums as deductible amounts against your taxable contributions.

12. Other terms and conditions

Choice of Fund and Portability

You may instruct your employer to pay your super contributions to another fund. You will still be a Defined Benefit Member until you leave Australia Post or a participating employer, but your Defined Benefit will only grow with any Final Average Salary increases, and your Years of Service will not increase once you choose another fund. In addition, you won't be eligible for any additional payment if you die or become totally and permanently disabled.

Your accrued Defined Benefit generally cannot be taken out of APSS as long as you remain an employee. However, you may be able to access your Defined Benefit while still an employee by accessing a *Super Savings Transition to retirement income account*.

Choosing another fund for your employer contributions is a decision that cannot be reversed.

Before making such an election, you should contact us on **13 11 84** to understand the impact that such a decision will have on your benefits.

You can transfer your *Additional accumulation account* from APSS to another superannuation fund at any time.

Your duty to take reasonable care not to make a misrepresentation for insurance cover

About your duty

When you apply for life insurance as a member of Australian Retirement Trust, the insurer may conduct a process called underwriting. It's how the insurer decides whether it will cover you, and if so on what terms and at what cost. If your application is underwritten, you will be asked questions which the insurer needs to know the answers to. These will be about your personal circumstances and may include questions about your health and medical history, occupation, income, lifestyle, pastimes, and current and past insurance. The information you provide in response to the questions is vital to the insurer's decision.

The duty to take reasonable care

When applying for insurance which is to be underwritten, you have a legal duty to take reasonable care not to make a misrepresentation before your application is accepted by the insurer. A misrepresentation is a false answer, an answer that is only partially true, or an answer which does not fairly reflect the truth. This duty also applies when extending or making changes to existing insurance, and reinstating insurance.

If you do not meet your duty

If you do not meet your legal duty, this can have serious impacts on your insurance. Your cover could be avoided (treated as if it never existed), or its terms may be changed. This may also result in a claim being declined or a benefit being reduced. Please note that there may be circumstances where the insurer later investigates whether the information you provided was true. For example, the insurer may do this when a claim is made.

Guidance for answering questions

When answering questions as part of an application for insurance cover, you should:

Think carefully about each question before you answer. If you are unsure of the meaning of any question, please ask us or the insurer before you respond.

- Answer every question.
- Answer truthfully, accurately and completely.
- If you are unsure about whether you should include information or not, you should include it.
- Review your application carefully before it is submitted. If someone else helped prepare your application (for example, your adviser), you should check every answer (and if necessary, make any corrections) before the application is submitted.
- You must not assume that Australian Retirement Trust or the insurer will contact your doctor for any medical information.

You do not need to tell the insurer anything that:

- reduces the risk they insure you for; or
- is common knowledge; or
- they know or should know as an insurer; or
- they waive your duty to tell them about.

Changes before your cover starts

Before your application is accepted, the insurer may ask about any changes that mean you would now answer the questions differently. As any changes might require further assessment or investigation, it could save time if you let us or the insurer know about any changes when they happen.

If you need help

It's important that you understand this information and the questions that you are asked. Ask us or the insurer for help if you have difficulty understanding the process of applying for insurance or answering our or the insurer's questions. If you're having difficulty due to a disability, understanding English or for any other reason, we are here to help and can provide additional support for anyone who might need it.

What can the insurer do if the duty is not met?

If you do not take reasonable care not to make a misrepresentation, there are different remedies that may be available to the insurer. These are set out in the *Insurance Contracts Act 1984* (Cth). These are intended to put the insurer in the position they would have been in if the duty had been met.

For example, the insurer may:

- Avoid the cover (treat it as if it never existed);
- vary the amount of the cover; or
- vary the terms of the cover.

Whether the insurer can exercise one of these remedies depends on a number of factors, including:

- Whether you took reasonable care not to make a misrepresentation (this depends on all of the relevant circumstances);
- what the insurer would have done if the duty had been met – for example, whether they would have offered cover, and if so, on what terms;
- whether the misrepresentation was fraudulent; and
- in some cases, how long it has been since the cover started.

Before the insurer exercises any of these remedies, they will explain their reasons, how to respond and provide further information, including what you can do if you disagree.

Family Law offsets

In the case where a benefit payment involves a Payment Split as required under the Family Law Act, the Trustee may be required to reduce the amount of your benefit to account for any entitlements to your Spouse or former Spouse. Payment Splits paid from your account will be added to the balance of your *Offset account*.

Concerns and complaints

If you have a complaint in relation to Australian Retirement Trust, including about any financial products or services we've provided, we want to know about it as soon as possible. Here's how you can lodge a complaint with us:

Customer Service Team: **13 11 84**

australianretirementtrust.com.au/contact-us

Write to: Australian Retirement Trust,

The Complaints Manager
GPO Box 2924
Brisbane QLD 4001

We will always try to resolve your complaint as quickly as possible. If you're unhappy about the outcome of your complaint and believe an issue has not been resolved, you can lodge a complaint with AFCA. AFCA provides fair and independent complaint resolution for financial services.

You can also choose to take your complaint directly to AFCA. In some circumstances, AFCA may refer your complaint back to Australian Retirement Trust.

AFCA can be contacted as follows:

Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001

Phone: 1800 931 678

Email: info@afca.org.au Web: www.afca.org.au

13. *Super Savings Income accounts*

When can I set up a *Super Savings Income account*?

Australian Retirement Trust offers two types of *Income account*:

- *Super Savings Retirement income account*
- *Super Savings Transition to retirement income account*

Your super can generally be accessed when you stop working after age 60 (or earlier if you've reached your preservation age, between 55-60 depending on when you were born), or from age 65 (earlier access is allowed in limited circumstances). You can then make withdrawals from your *Additional accumulation account* or open an *Income account* to receive a regular income.

If you've reached your preservation age and are still working, you may be eligible to receive part of your super via a *Transition to retirement income account*.

An *Income account* provides an account-based pension and does not provide a Lifetime Pension.

Your employer will meet the cost of any Administration fees paid on your *Income account* while you remain an employee of Australia Post or a participating employer in APSS. These fees will be rebated back to your *Additional accumulation account*.

If you are still employed at the time you open an *Income account*, you can use up to 50% of your Defined Benefit (less any *Offset account* balance) to commence the pension. You must use the balance of your *Additional accumulation account* before you can access your Defined Benefit to open an *Income account*, and you can only access your Defined Benefit once per year to open an *Income account*. The maximum amount you can use to commence an *Income account* is the sum of:

1. Your *Additional accumulation account* balance; and
2. 50% of your accrued Defined Benefit, less the balance of your *Offset account* (if any).

The amount of your Defined Benefit used to open an *Income account* is added to your *Offset account*.

More information on *Income accounts* can be found in the *Super Savings Product Disclosure Statement for Income Account and Lifetime Pension.*

Cooling Off Period for *Income accounts*

If you set up an *Income account*, a 14-day cooling off period applies from the earlier of:

- The date of the confirmation advice of the commencement of the *Income account*, or
- 5 days after the commencement of the payment of the *Income account*.

During this period, you may write to the Trustee revoking the choice to commence an *Income account* and instead elect to receive your Defined Benefit as a lump sum. For more information, contact us on **13 11 84.**

Example *(for illustrative purposes only)*

Frank is 59 and in the lead-up to his retirement he decides to open a *Super Savings Transition to retirement income account* to boost his super and reduce his work hours. His accrued Defined Benefit is $214,500, but he also has an *Additional accumulation balance* of $150,000 and an *Offset account* balance of $70,000.

The maximum amount he can use to open a *Transition to retirement income account* is $187,250, calculated as follows:

1. $150,000 from his *Additional accumulation account* balance, plus
2. 50% of his Defined Benefit (50% of $214,500) less his *Offset account* balance ($70,000) = $37,250. This amount will be added to his *Offset account* balance if he uses it to open a *Transition to retirement income account*.

14. About death and disablement claims

Let us help you

We understand that death and disablement claims can sometimes be difficult and stressful. We understand that the circumstances of every claim are as different as the individuals making them.

To help you and your family through this difficult time, we have a team of dedicated and experienced staff who can assist you. Our Claims Representatives are trained specialists who will handle your claim journey with compassion and professionalism.

All our Claims Representatives are trained to understand and explain our claims process. Once you make the initial contact with us to commence a claim, you will be assigned an individual Claims Representative to help you through the rest of the process and answer your questions.

We are here to help. Please contact us as soon as you are able to on **13 11 84** if you would like help making a claim or have any questions.

How to make a claim

While we do hope that you never need to, the following information will assist you in understanding the claim process in the event that you do need to make a claim. Any claim process will involve:

- Notification to us,
- Gathering information and providing it to us,
- Assessment of the insurance claim by the insurer,
- Assessment by the Australian Retirement Trust Trustee, including determination of the beneficiary/s,
- Decision by the Australian Retirement Trust Trustee, and
- Payment of the claim, if approved.

These steps do take some time, although our experienced Claims Representatives will help you at every stage of the process.

Further information may be requested at different stages of the process, and with disablement claims you may be required to undergo an examination by a Medical Practitioner or professional of the insurer's choice. The insurer will usually meet the costs associated with any additional information requests.

Death claims

It is important that in the event of your death, Australian Retirement Trust is notified by a relative or legal personal representative to enable the claims process to begin.

Total & Permanent Disablement claims

Australian Retirement Trust should be notified as soon as reasonably possible after an event that is likely to give rise to a disablement claim.

Claims after your cover has stopped

If an event occurs before the date your cover stops or is terminated, and that event entitles you to make an insurance claim, you may still be eligible for that payment even after your cover has stopped.

If your claim is declined

If your claim is declined by the Insurer your claim will be referred to the Australian Retirement Trust Trustee for review and consideration.

If the Australian Retirement Trust Trustee declines your claim and you disagree with this decision you can lodge a complaint. For information on how to do so, refer to *Concerns and Complaints* in section 12.

Claim investigation

If you make a claim, the Insurer reserves the right to investigate the claim including but not limited to conducting surveillance and requesting information and medical examinations.

Incorrect information and eligibility for cover

If your recorded age or gender is incorrect, the insurer has the right to adjust the premium or the benefit based on the correct information. As a general rule, your eligibility for cover will not be assessed until you make a claim.

Financial advice

When you make a claim or receive an insurance benefit, not only is it likely to be a difficult time, but it can be hard to know what your next step is. You don't need to panic, and you don't need to be rushed into a course of action.

Speak to your adviser or contact Australian Retirement Trust.

Call **13 11 84** if you want to speak to one of our qualified financial advisers[1] who can give you advice about your Australian Retirement Trust account. Advice about your account is included with your membership. For more comprehensive advice, we may refer you to an accredited external financial adviser.[2] Advice of this nature may incur a fee.

1. Employees in the Australian Retirement Trust group provide advice to members and employers as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), that is wholly owned by the Trustee as an asset of Australian Retirement Trust. SFS is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services *Guide* at **australianretirementtrust.com.au/fsg** for more information.
2. The Trustee has established a panel of accredited external financial advisers who are not employees of the Australian Retirement Trust group. The Trustee is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

15. Definitions for understanding your retirement benefit

This section defines the various components which are included in the calculation of your Defined Benefit.

Accrued Benefit Multiple

Your Accrued Benefit Multiple is calculated as the sum of your *Fund Multiple* and your Former Fund Retirement Multiple. Your *Fund Multiple* consists of one or more of the following:

- Benefit Multiple – 14.3% multiplied by your years of full-time service, including part years and part-time service adjustments, and any additional accruals as a Catch-up Member; and
- Productivity Multiple – applies to your periods of probationary service and membership as a SG Member or CSS Member, including part years and part-time service adjustments.

Your Former Fund Retirement Multiple relates to your period of membership in the Former Fund as notified to us by the Former Fund Trustee. Your Former Fund Retirement Multiple may also consist of one or more of the above multiples accrued up to the date your benefit was transferred to Australian Retirement Trust.

You may also have a Pre 1 July 1990 Service Multiple, which is a fixed multiple based on your years as a contributing member of the Commonwealth Superannuation Scheme before 1 July 1990.

Adjustment Amount

Your Final Average Salary used for determining Death & Total and Permanent Disablement benefits is calculated as if your Superannuation Salary on the date of Death or TPD remained unchanged from that date to the date you would have attained age 60. An adjustment is used when this differs from the Final Average Salary used to calculate your defined benefit. This adjustment also includes any amount required to meet the minimum death benefit.

Benefit Final Average Salary

The Benefit Final Average Salary is the greater of your Final Average Salary and the minimum Final Average Salary.

Catch-up Member

Permanent employees of Australia Post or an associated employer entitled to the 14.3% Defined Benefit accrual rate who joined the Former Fund before 1 July 2000 and did not make average member contributions of 5% p.a. to the Former Fund before this date. Catch-up Members may be able to make member contributions to their Defined Benefit to "catch-up" to the maximum defined benefit that they could be entitled to until their average percentage of Final Average Salary over their entire membership becomes 14.3%. At this point, the accrual rate is capped at 14.3% of Final Average Salary.

The Defined Benefit accrual rate during the catch-up period is enhanced by the amount of member contributions made in accordance with this table:

Member Contributions as a percentage of Salary	Defined Benefit accrual rate (p.a.)
0%	14.3%
1%	15.3%
2%	16.3%
3%	17.3%
4%	18.3%
5% or more	19.3%

The Member Contribution rates above are after-tax contributions. Any fixed dollar regular contributions will be allocated to your *Additional accumulation account* and do not count to the Defined Benefit catch up.

Final Average Salary (FAS)

The average of your Full-time Equivalent Salary on the three birthdays occurring immediately prior to the date of calculation or such other amount as determined by the Trustee with the consent of the Principal Employer. For members whose birthday is on 29 February their birthday salaries are taken to be salaries as at 28 February in a non-leap year.

A minimum Final Average Salary equal to $20,000 adjusted annually from 30 June 1991 by the Australia Post Wage Index applies in calculating the *Fund Multiple*s for SG Members and CSS Members and the Retirement Benefits for Full and Catch-up Members. The minimum FAS as at 1 July 2023 was $57,463.

Where a member has service in a number of different Member Categories then the minimum FAS applies for each relevant period of service.

Former Fund Retirement Multiple

These multiples are applicable to your membership in the Former Fund as notified by your Former Fund Trustee.

Fund Multiple

Your *Fund Multiple* in APSS is calculated at the relevant accrual rate for each Member Category, multiplied by the number of years of membership of the Plan (including part years and adjustments for part-time service) you were in each category.

The accrual rate for each category is shown below:

Member Category	Description	Accrual rate (p.a.)
A: Full Members	Permanent employees	14.3%
CU1 – 5: Catch-up Members	Permanent employees that are eligible to make catch-up contributions	14.3% plus Member contribution rate capped to a maximum of 19.3%
B: SG Members – Class A statutory benefit	Non-permanent employees that accrue benefits at the same rate as Superannuation Guarantee, including periods of probationary service.	11%[1]
D: CSS Members – Class B statutory benefit	Employees who elected to contribute to the Commonwealth Superannuation Scheme (CSS)	3%
E: Opt-out Members	Employees that no longer accrue benefits in APSS because they elected to have their Superannuation Guarantee contributions paid to another fund	0%

1 The accrual rate for SG Members is based on the current applicable charge rate under the *Superannuation Guarantee (Administration) Act 1992* and is subject to change. Under current law it is expected to increase by 0.5% each financial year from 1 July 2023 until it reaches 12% on 1 July 2025.

Your *Fund Multiple* is adjusted for any periods of membership you were working part-time by applying a service fraction of the proportion of your part-time hours to the minimum full-time hours set by your employer.

The *Fund Multiple*s for SG Members and CSS Members are described as a Productivity Multiple in this *Handbook* and in member statements issued to you.

Minimum Requisite Benefit

The minimum benefit payable to you to ensure compliance with the *Superannuation Guarantee (Administration) Act 1992*. The method of determining the Minimum Requisite Benefit is certified by the Plan Actuary.

Superannuation Salary

Your Employer will advise the Trustee your Salary for the purposes of the Plan from time to time. It may be different to your regular take-home pay due to allowances.

Your Superannuation Salary is generally your full-time equivalent (before-tax) salary as at your last birthday.

Your employer has adopted procedures to make sure that your Superannuation Salary will generally not decrease should your take home pay decrease.

Superannuation Guarantee Top-up

To ensure that your Defined Benefit meets the Minimum Requisite Benefit required by the *Superannuation Guarantee (Administration) Act 1992*, a Superannuation Guarantee Top-up amount may be included in the calculation of your Defined Benefit where the Minimum Requisite Benefit exceeds your Defined Benefit. The Superannuation Guarantee Top-up can go up or down when your Defined Benefit changes or when the Minimum Requisite Benefit changes.

Total and Permanent Disablement (TPD)

The TPD definition that applies depends on when you joined the Former Fund:

For Members who joined the Former Fund on or before 30 June 2014

TPD means disablement due to illness or injury as a result of which:

1. the Member has suffered while a Member the loss of two limbs or the sight of both eyes or the loss of one limb and the sight of one eye (where limb is defined as the whole hand or the whole foot); or
2. both:
   (a) the Member has been continuously absent from work for a period of not less than six months or such lesser period (if any) as may be agreed between the Principal Employer and the Trustee from time to time; and
   (b) the Trustee receives a certificate signed on behalf of the Claims Assessor to the effect that in the opinion of the Claims Assessor the Member is incapacitated to such an extent as to render the Member unlikely ever to engage in regular employment for which the Member is, for the time being, reasonably qualified by reason of education, training or experience.

For Members who joined the Former Fund on or after 1 July 2014

TPD means ill health (whether physical or mental) where the Trustee is reasonably satisfied that the Member is unlikely, because of ill health, to engage in gainful employment for which the Member is reasonably qualified by education, training or experience,

For both definitions above, Total and Permanent Disablement shall not include disablement as a result of illness or injury which in the opinion of the Claims Assessor or, if there is for the time being no Claims Assessor, the Trustee, has been inflicted, incurred or aggravated for the purposes of obtaining a benefit under the Plan.

For Members with additional TPD insurance cover

A different TPD definition applies for any additional TPD insurance cover on your account. Refer to the *Super Savings – Corporate* Insurance *Guide* for APSS for details.

Australian Retirement Trust

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Need assistance? Call our translation service on **13 14 50** and say one of the following languages at the prompt: **Italian**, **Chinese**, **Vietnamese**, **Korean,** or **Arabic**.

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