

Australian Retirement Trust

Defined Benefit Information Handbook

This *DuluxGroup Defined Benefit Handbook* was originally prepared and issued by Sunsuper Pty Ltd ABN 88 010 720 840 (Trustee) as trustee for Sunsuper Superannuation Fund ABN 98 503 137 921 (Sunsuper).

On 28 February 2022, Sunsuper and QSuper merged to form Australian Retirement Trust. On merger, the Trustee became the trustee of Australian Retirement Trust and was renamed to Australian Retirement Trust Pty Ltd. All Sunsuper members were transferred to Australian Retirement Trust and each Sunsuper member was issued with a product(s) in Australian Retirement Trust which had the same benefits and features as the Sunsuper product(s) they held at the merger date.

This document was originally prepared by the Trustee to provide information to Sunsuper *DuluxGroup Defined Benefit* members about their product. As the benefits and features of the Australian Retirement Trust *DuluxGroup Defined Benefit* product remain the same as the predecessor Sunsuper product, the information in this document remains available to assist *DuluxGroup Defined Benefit* members to understand the benefits and features of their product. A new Australian Retirement Trust version will be prepared by the Trustee in due course.

This document is not a product disclosure statement (PDS). For copies of information that the Trustee previously provided to you (including copies of past PDSs and material change notifications), please contact us on **13 11 84**.

This document is issued by Australian Retirement Trust Pty Ltd (ABN 88 010 720 840 ASFL No: 228975), Trustee of Australian Retirement Trust (ABN 60 905 115 063). This document has been prepared for general information purposes only and not as specific advice to any particular person.

References to '*Sunsuper for Life*' should be read as '*Australian Retirement Trust Super Savings*'.

DuluxGroup Defined Benefit Handbook

Sunsuper for life Corporate

For Defined Benefit members

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 sunsuper

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How to use this *Handbook*

This *Handbook* will provide you with important information to help you better understand your Defined Benefit and your Additional accumulation account. Make sure you read this *Handbook* so you can make informed decisions and get the most from your super, throughout your working life and during your retirement.

Insurance

Your Defined Benefit Death and Total & Permanent Disablement benefits are funded from the Defined Benefit assets within the DuluxGroup Superannuation Plan and through group life policies issued by Metlife to the Trustee of the Sunsuper Superannuation Fund.

Sunsuper is the superannuation fund that DuluxGroup have chosen to manage their Defined Benefit plan.

DuluxGroup are not responsible for the preparation of this document. They are not providing advice or a recommendation in relation to your benefit in the DuluxGroup Superannuation Plan.

This *Handbook* contains information about the specific features of the DuluxGroup Superannuation Plan in Sunsuper, including the specific details of your Defined Benefit, contributions, and death and disablement benefits. This *Handbook* applies to former members of the DuluxGroup Employees Superannuation Fund (Former Fund). Lifetime pensioners should refer to the *Sunsuper for life Corporate DuluxGroup Lifetime Pension Handbook (Lifetime Pension Handbook)*.

The details of the Defined Benefits in the DuluxGroup Superannuation Plan are documented in the DuluxGroup Benefit Deed, which is an agreement between Sunsuper Pty Ltd (the Trustee) and DuluxGroup (the Principal Employer). Your benefits are governed by the DuluxGroup Benefit Deed, and by the terms and conditions of the Trust Deed of the Sunsuper Superannuation Fund and, where applicable, the group life policies. The information in this *Handbook* is a summary only of some important features. If any statement in this *Handbook* conflicts with the Trust Deed, the DuluxGroup Benefit Deed or group life policy, then the Trust Deed provisions, DuluxGroup Benefit Deed or group life policy will override this *Handbook*.

Important information

This is the *Sunsuper for life Corporate DuluxGroup Defined Benefit Handbook (Handbook)*. This *Handbook* contains information for Defined Benefit members about their Defined Benefits (including insured benefits) and Additional accumulation account(s) in the DuluxGroup Superannuation Plan. The information in this *Handbook* forms part of the *Sunsuper for life Corporate DuluxGroup Defined Benefit Product Disclosure Statement (PDS)* issued on 1 November 2018. The *PDS* references important information contained in this *Handbook* by 'i'. This *Handbook* may reference important information contained in the following:

- The *Sunsuper for life Corporate DuluxGroup Lifetime Pension Handbook (Lifetime Pension Handbook)*, containing information about the *Lifetime Pensions* payable from the DuluxGroup Superannuation Plan,
- The *Sunsuper for life guide*, containing information about superannuation in general and *Sunsuper for life* in particular,
- The *Sunsuper for life Investment guide*, containing information about the investment options available in the DuluxGroup Superannuation Plan.

This *Handbook*, the *PDS*, the *Lifetime Pension Handbook*, the *Sunsuper for life guide* and the *Sunsuper for life Investment guide* are all available at sunsuper.com.au/duluxgroup and should be read before making a decision regarding your benefits.

General advice disclaimer

The information in the *PDS*, this *Handbook*, the *Lifetime Pension Handbook*, the *Sunsuper for life guide* and *Sunsuper for life Investment guide* is general information only and doesn't take into account your personal objectives, financial situation or needs. You should consider the appropriateness of the information in this *Handbook* with regard to your own personal objectives, financial situation and needs. You should obtain financial advice tailored to your personal circumstances. Call us if you would like to speak to a qualified financial adviser.

Protecting your privacy

Sunsuper respects the privacy of the information you give us. If you require a copy of our Privacy Policy visit sunsuper.com.au/privacy or contact us.

Financial Services Guide (FSG)

Contains information about the financial services Sunsuper Pty Ltd provides and will help you decide whether to use these services. Visit sunsuper.com.au/fsg or contact us for a copy.

1. About the DuluxGroup Superannuation Plan

The DuluxGroup Superannuation Plan provides benefits for members of the Former Fund who transferred to Sunsuper by a successor fund transfer on 1 November 2018. This *Handbook* outlines the arrangements within the DuluxGroup Superannuation Plan for Defined Benefit (including Deferred Pension) members of the Former Fund. The Defined Benefit categories of the Former Fund were closed to new members from 1 October 1999. A separate *Handbook* outlines the arrangements within the DuluxGroup Superannuation Plan that apply for Lifetime Pensioner members and a separate *PDS* applies for Accumulation members.

You remain a member of the DuluxGroup Superannuation Plan while you meet the eligibility conditions under the DuluxGroup Benefit Deed.

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

Benefits

Your Defined Benefit in the DuluxGroup Superannuation Plan is calculated by way of a formula which is related to your membership period, your salary, your age and whether you are leaving as a result of ceasing employment due to your resignation, ill health, or death. As a member of the Former Fund, your Defined Benefit may also be subject to a minimum benefit based on the accumulated value of various accounts.

Depending on your circumstances, your Defined Benefit may be available as a lump sum, or in the form of a Lifetime Pension, or a combination of both. The Trustee's policy is to pay a lump sum benefit unless the member selects a pension within the required time period. Additionally, subject to preservation rules, you may be able to access your lump sum benefit as an income stream with a *Sunsuper for life Income account* outside the DuluxGroup Superannuation Plan. More information on the options available to you is set out for each of the benefit types in this *Handbook*. Information on *Income accounts* can be found in the *Sunsuper for life guide*.

You may also have an Additional accumulation account. The balance of your Additional accumulation account will be paid in addition to your Defined Benefit.

Membership eligibility

Each member, who was a member of the Defined Benefit category of the Former Fund, is a Defined Benefit member of the DuluxGroup Superannuation Plan.

2. Contributions

Your rate of member contributions directly impacts the value of your Defined Benefit. Unless you instruct your employer's payroll otherwise, you will pay contributions from your salary at the same rate as you did in the Former Fund immediately before transferring to the DuluxGroup Superannuation Plan.

You may choose to pay more or less than this current rate. The **Contribution Rate Options** available are 0%, 1%, 2%, 3%, 4%, 5%, 6%, and 7%, subject to your rate of contribution not exceeding 5% during any period when your **Accrued Benefit Multiple** is greater than the **Maximum Multiple** (see example on page 2).

You can pay your contributions by after tax contributions or, with your employer's agreement, you can pay the contributions by salary sacrifice. The amount of salary sacrifice contributions is adjusted for the tax effect of salary sacrifice. On transfer to Sunsuper, until you and the employer agree otherwise, your member contributions will continue to be paid in the same way (after tax or by salary sacrifice) as they were paid before the transfer.

You can change your rate of contributions annually at 1 July (referred to as the **Contribution Review Date**) or as otherwise agreed with your payroll.

If contributions at the **Contribution Rate Option** you have nominated are not paid when required, special terms, conditions or restrictions may be applicable to your membership. Such conditions may include reducing or adjusting your benefits, or no longer accepting any further contributions from you.

The contributions you make at your elected **Contribution Rate Option** from time to time determine your **Accrued Benefit Multiple**.

Your **Accrued Benefit Multiple** is calculated in accordance with the following formula:

Your **Fund Multiple**, plus your **Former Fund Multiple**, plus your **Provident Fund Multiple**.

Your **Fund Multiple** in the DuluxGroup Superannuation Plan is calculated as 1/100 of your accrual rate, multiplied by the number of years of membership of the Plan (including part years) at one or more of the Contribution Rates. The accrual rate for each contribution rate is shown below:

Accrual Rate	Your after-tax contribution rate	Your before-tax contribution rate
4.7	0%	0.00%
7.7	1%	1.18%
10.7	2%	2.35%
13.7	3%	3.53%
16.7	4%	4.71%
19.7	5%	5.88%
22.7	6% ¹	7.06% ¹
25.7	7% ¹	8.24% ¹

¹ You can only contribute these amounts if your **Accrued Benefit Multiple** is less than your **Maximum Multiple**.

Your **Former Fund Multiple** and your **Provident Fund Multiple** will be as advised by the Former Fund Trustee.

Your **Maximum Multiple** is calculated as the number of years of Combined Membership (including part years) x 19.7%. It represents the maximum multiple that you can accrue over your period of Combined Membership

Defined Benefit contributions

Your employer, on the advice of the DuluxGroup Superannuation Plan 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 DuluxGroup Superannuation Plan to pay benefits.

You may also have existing notional Defined Benefit accounts which can be one of, or a combination of your:

- Member Accumulation,
- Notional Company Accumulation, or
- Provident Fund Accumulation.

Additional accumulation account

Your Additional accumulation accounts can be one of, or a combination of your:

- Additional Voluntary Contribution Account, or
- Rollover Account.

If your rate of member contributions, at the **Contribution Rate Option** you have nominated, is the highest permitted, you can make additional voluntary contributions to the Fund. 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 Additional Voluntary Contribution Account. Refer to the *Sunsuper for life 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 Additional Voluntary Contribution account.

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

If you make contributions after you leave employment or after your retirement benefit has become payable, these contributions will be allocated to your Additional accumulation 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's daily unit price. For more information about your account balance and unit pricing, please refer to the *Sunsuper for life guide* and the *Sunsuper for life Investment guide*.

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

Example

Jenny was a continuous member of the Former Fund for 19 years, and the DuluxGroup Superannuation Plan for 1 year which was a combined membership of 20 years. Of those 20 years, her rate of contribution for 4 years was 5%, for 15 years her rate of contribution was 4%, and of the remaining 1 year her rate of contribution was 2%.

Using the above formula Jenny's **Accrued Benefit Multiple** is calculated as

$$1/100 \times (4 \times 19.7 + 15 \times 16.7 + 1 \times 10.7) = 3.4$$

Her **Maximum Multiple** is calculated as 20 (years) x 19.7% = 3.94

In this example, as Jenny's **Accrued Benefit Multiple** is less than her **Maximum Multiple**, she can elect to increase her rate of contribution to 6% or 7%.

Contributions taxes

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 \$250,000 for the year to 30 June 2018), 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 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 post-tax voluntary contributions

If you claim a tax deduction for a post-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 post-tax contributions.

Concessional contribution caps

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.

For 2018-19, the concessional (before-tax) contribution cap is \$25,000 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.

Your concessional contributions for your Defined Benefit are calculated according to a formula which determines the value of your Notional Taxed Contributions for your Defined Benefit. Please refer to the factsheet *Employer and Salary Sacrifice Contributions for Defined Benefit Members of the DuluxGroup Superannuation Plan* available at [sunsuper.com.au/duluxgroup](https://www.sunsuper.com.au/duluxgroup)

Non-concessional contribution caps

For 2018-19, the non-concessional (after-tax) contribution cap is generally \$100,000 p.a.

If your 'total superannuation balance' equals or exceeds a certain amount on 30 June of each financial year (\$1,600,000 for 30 June 2018) you will not be able to make any non-concessional contributions for the next financial year.

Cap does not include downsizer contributions - refer to *Downsizer contributions-put more into your super for retirement* in the *Sunsuper for life 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.

3. How we invest your money

Defined Benefit investment

The Trustee, in consultation with DuluxGroup, decides on the investment of the assets that support your Defined Benefit entitlements. The DuluxGroup Defined Benefit reserve will be invested in the Retirement Investment Option.

Additional accumulation account

Your Additional accumulation account will initially be invested in the investment option(s) that most closely match your chosen investment option(s) in the Former Fund. For example, if you were invested in the DESF option, Assertive Plus, you will be invested in the following Sunsuper options: 51% Australian Shares; 34% International Shares - Index (unhedged); 12% Property; 3% Diversified Alternatives. For information on investment option and investment risk refer to the *Sunsuper for life Investment guide*, available at [sunsuper.com.au/duluxgroup](https://www.sunsuper.com.au/duluxgroup)

Thereafter, Sunsuper 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. You can select from our full range of investment options consisting of diversified (Growth, Balanced, Retirement and Conservative) and single asset class options (Shares, Property, Fixed Interest and Cash). We offer actively managed and index options, hedged and unhedged (currency) options and special options. 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.

4. Your benefits

Your benefits

The DuluxGroup Superannuation Plan provides a Death Benefit, a Total & Permanent Disablement or Incapacity Benefit, a Retirement Benefit, or a Withdrawal Benefit on ceasing employment.

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 Retirement investment option until we have sufficient information to fully process your benefit. At that time, if you have selected an investment option for your Additional accumulation account this account will then be combined with your Additional accumulation account and invested according to your investment choice.

If you have not nominated an investment choice, your accounts will be invested in the Lifecycle Investment Strategy.

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.

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 *Sunsuper for life Income account*, or paid to you (subject to preservation rules) as a lump sum, or transferred to a *Sunsuper for life Super-savings account* or paid to another fund.

Changes in the daily unit price mean the value of your benefit will change on a daily basis. 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 advisers¹ who can give you simple advice on how your super is invested at no additional cost. For more comprehensive advice about the DuluxGroup Superannuation Plan, we may refer you to an accredited external financial adviser.² Advice of this nature may incur a fee.

1 Sunsuper employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818, AFSL No. 227867) (SFS), wholly owned by the Sunsuper Superannuation Fund.

2 Sunsuper has established a panel of accredited external financial advisers who are not employees of Sunsuper. Sunsuper 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

Retirement Benefits

When you retire from employment with your DuluxGroup employer on or after age 55 (other than retirement due to Total & Permanent Disablement or Incapacity), you will be entitled to your retirement benefit.

Subject to approval from your employer, if you were a member of the Flexible Benefits Fund before 1 October 1987, you may be entitled to your retirement benefit after completing the number of years of Combined Membership, at the age determined in the following table:

Age at Retirement	Years of Combined Membership
45	20
46	18
47	16
48	14
49	12
50 or more	10

You can elect to receive your retirement benefit either as a lump sum, or as a pension benefit. You must give the Trustee notice of your selection no later than 90 days after you retired from employment with your employer. If you do not notify your selection within the time period, the Trustee will make the selection for you. The Trustee's policy is to pay a lump sum benefit unless the member selects a pension within the time period.

Amount of lump sum retirement benefit

If you retire on or before your 70th birthday and you elect to receive the lump sum benefit, the lump sum payable will be equal to your **Accrued Retirement Benefit** as at the date of retirement.

For members of the Flexible Benefits Fund as at 25 February 1999, if you do not elect to continue your benefit accrual after your **Normal Retirement Date**, your Retirement Benefit will be calculated as your **Accrued Retirement Benefit** as at your **Normal Retirement Date**, together with compound interest on that amount at the **Declared Rate** for the period of membership after your date of retirement.

If you retired after the age of 70, the lump sum will be an amount equal to your **Accrued Retirement Benefit** calculated as at your 70th birthday together with compound interest on that amount at the **Declared Rate** for the period of membership after your 70th birthday.

The **Declared Rate** refers to the net earning rate of the investment of Defined Benefit assets, and may be positive or negative.

Accrued Retirement Benefit and **Declared Rate** are explained further in *8 Definitions for understanding your retirement benefit*.

Amount of pension retirement benefit

If you retire on or before your 70th birthday and you elect to receive a pension benefit, the annual amount of pension payable to you for the rest of your life will be an amount equal to one-tenth of your **Accrued Retirement Benefit** at the date you retired from employment with your employer.

If you are over 70 years of age, your annual pension will be payable for the rest of your life, and will be an amount equal to one-tenth of the sum of your **Accrued Retirement Benefit** calculated as at your 70th birthday, plus compound interest on that amount at the **Declared Rate** for the period of membership after your 70th birthday, subject to a minimum average rate of the interest over that period of 7.5% per annum.

For more information on the Lifetime Pension, please read the *DuluxGroup Lifetime Pension Handbook* available at sunsuper.com.au/duluxgroup

Minimum retirement benefit

Pre 1 July 1992 Flexible Benefits Fund

For members who joined the Flexible Benefits Fund before 1 July 1992, your benefits are calculated as the greater of

- (a) the amount calculated as your **Accrued Retirement Benefit**
- (b) the amount calculated as your **Withdrawal Benefit** (refer to Withdrawal Benefits on this page).

Post 1982 Provident Fund

For members who joined the Provident Fund on or after 1 August 1982, your benefits are calculated as the sum of

- (a) the greater of
 - (i) the product of your **Accrued Benefit Multiple** (excluding the Provident Fund Multiple), and your **Final Average Salary**, or
 - (ii) the sum of your Member Accumulation and Notional Company Accumulation; and
- (b) the greater of
 - (i) the product of your Fund Multiple and your Final average salary; or
 - (ii) your Provident Fund Accumulation.

Accumulation benefit

If you continue to be employed by a DuluxGroup employer after you become entitled to a retirement benefit, you may elect at any time for your benefit to be determined as an accumulation benefit. In this instance, the Trustee will allocate your Defined Benefit to an accumulation account for you. See the *Sunsuper for life guide* for more information about accumulation accounts.

Additional Accumulation benefit

Your Additional accumulation account will be paid in addition to the amount calculated as your retirement benefit. Subject to preservation rules, you can elect to take this amount either as a lump sum or as an income stream from a *Sunsuper for life Income account*.

Withdrawal Benefits

Where a member leaves the employment of a DuluxGroup employer and they are not entitled to a retirement benefit, or to a benefit on any other grounds (Death, Total & Permanent Disablement or Incapacity), a **Withdrawal Benefit** is payable calculated as at the date of cessation of employment.

The amount is the member's **Accrued Withdrawal Benefit** calculated as:

Accrued Benefit Multiple × **Reduction Factor** × **Final Average Salary**.

Example - Accrued Withdrawal Benefit

Jenny (from our earlier example) stopped working from her DuluxGroup employer aged 54.

We have already established that Jenny's **Accrued Benefit Multiple** is calculated as $1/100 \times (4 \times 19.7 + 15 \times 16.7 + 1 \times 10.7) = 3.4$

Jenny's **Reduction Factor** is calculated as 0.700 from her membership start date (at age 34), increasing uniformly to 1.000 by the time of her 55th birthday.

Jenny's age	Reduction Factor
34	0.700
35	0.714
36	0.729
37	0.743
38	0.757
39	0.771
40	0.786
41	0.800
42	0.814
43	0.829
44	0.843
45	0.857
46	0.871
47	0.886
48	0.900
49	0.914
50	0.929
51	0.943
52	0.957
53	0.971
54	0.986
55	1.000

As such Jenny's **Reduction Factor** is 0.986 at the age of 54.

Jenny's final average salary was \$80,000.

Therefore Jenny's **Accrued Withdrawal Benefit** at the age of 54 is

$$3.4 \times 0.986 \times \$80,000 = \$268,192.$$

Minimum Withdrawal Benefit - Pre-1 July 1992 Flexible Benefits Fund

If you joined the Flexible Benefits Fund before 1 July 1992 along with certain members of the Provident Fund or the Berger Jenson Nicholson Fund, your withdrawal benefit is subject to a minimum amount.

This amount is calculated as the sum of your Member Accumulation, Notional Company Accumulation and Provident Fund Accumulation. Your Member Accumulation is calculated on your own contributions, and your Notional Company Accumulation represents a notional Company contribution rate which will depend on your own contribution rate. Former members of the Provident Fund may also have a Provident Fund Accumulation, These amounts are calculated plus or minus investment returns (which may be positive or negative) less taxes and fees.

Note: this "Notional Company contribution rate" is not the same as the "notional" employer contribution that is assessed against your concessional contributions cap.

For more information about concessional contributions, please refer to the factsheet *Employer and Salary Sacrifice Contributions for Defined Benefit Members of the DuluxGroup Superannuation Plan* available at sunsuper.com.au/duluxgroup

Your after-tax contribution rate	Your before-tax contribution rate	Notional Company contribution rate (percentage of salary)
0%	0.00%	6.0%
1%	1.18%	6.5%
2%	2.35%	7.5%
3%	3.53%	8.5%
4%	4.71%	9.0%
5%	5.88%	10.0%
6% ¹	7.06% ¹	11.0%
7% ¹	8.24% ¹	12.0%

¹ You can only contribute these amounts if your **Accrued Benefit Multiple** is less than your **Maximum Multiple**.

Receiving your benefit as a Lifetime Pension

The *DuluxGroup Lifetime Pension Handbook* explains the terms and operation of DuluxGroup's Lifetime Pensions. Briefly, the key features are as follows:

- Payments are made monthly for the life of the member,
- On the member's death, a reduced pension will be payable for the life of their spouse and/or to Eligible Children (while they are eligible).

For more information on the Lifetime Pension, please read the *Lifetime Pension Handbook* available at sunsuper.com.au/duluxgroup

Additional accumulation account

Your Additional accumulation account will be paid in addition to the benefit calculated as your withdrawal benefit.

Partial Withdrawals

You may transfer part or all of your Additional accumulation account at any time to a *Sunsuper for life Super-savings 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 *Sunsuper for life Super-savings account*, or to another complying superannuation fund. Some members may be eligible to elect a Deferred Pension.

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 tax free from age 60. While you are under 60 they are tax free up to the current Low Rate Cap of \$205,000 for 2018-19. For further information please refer to the *Sunsuper for life guide*, available at sunsuper.com.au/duluxgroup

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 *Sunsuper for life Income account* (if you qualify under the preservation rules),
- Transferred to a *Sunsuper for life Super-savings account*, or
- Paid to another fund.

For information on the preservation rules refer to the *Sunsuper for life guide*.

Deferred pension benefits - election for pre 1 October 1987 Flexible Benefits Fund

A Member who joined the Flexible Benefits Fund before 1 October 1987, and commenced employment with a DuluxGroup employer before 1 July 1987, may be eligible to elect to retain their membership as a Deferred Pensioner, where they cease employment before their Normal Retirement Date (other than due to Total & Permanent Disablement or Incapacity). You must notify the Trustee generally within 30 days after ceasing employment for this to apply.

If you are a Deferred Pension member, the annual amount of the pension payable to you is one-tenth of your benefit calculated as at the date you ceased employment, less any lump sum payments, multiplied by the applicable **Deferral Ratio**.

The **Deferral Ratio** applicable to your pension amount is based on the Deferral Factor for your age when your employment ceased, divided by the Deferral Factor for your age when your pension commences.

The following table lists the Deferral Factor based on age. Figures are adjusted proportionately based on age in years and months. These factors are subject to review and may change from time to time.

Age (whole years)	Deferral Factor
45	2.980
46	2.836
47	2.697
48	2.565
49	2.438
50	2.316
51	2.200
52	2.088
53	1.982
54	1.879
55	1.781
56	1.688
57	1.598
58	1.511
59	1.429
60	1.350
61	1.274
62	1.201
63	1.131
64	1.064
65	1.000

Deferred Pension Members of the Former Fund continue to qualify as Deferred Pension Members in the DuluxGroup Superannuation Plan.

Please refer to the *Lifetime Pension Handbook* to understand the benefits of a Lifetime Pension, and call Sunsuper on **13 11 84** if you would like some advice.

Can I commute my Lifetime Pension?

When you become entitled to a retirement pension, you have the option to receive an immediate lump sum benefit in replacement of a portion, or of the total, of your retirement pension. You may apply to the Trustee no later than 30 days after you cease to be employed by a DuluxGroup company for this commutation option. For a deferred pensioner, you may apply at any time before your pension commences or no later than 30 days afterwards.

The maximum portion of the Retirement Pension which may be commuted is the greater of:

- 25% of the pension; and
- the portion of the pension which would, when commuted, provide a lump sum of \$10,000.

If, after commutation, the remaining pension is generally less than \$520.00 per annum, then the entire Retirement Pension may be commuted.

5. Early release of your Defined Benefit

Generally, your super can only be accessed from the age of 65 or earlier if you've reached preservation age. Accessing your super benefits before this may be possible, but only under special 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.

No benefit will be payable on the grounds of Financial Hardship.

For more details, or to request the release of your superannuation benefits under special circumstances, visit [sunsuper.com.au/early-access](https://www.sunsuper.com.au/early-access) or contact us.

6. Your Death Benefit

This section outlines the Death Benefit payable if you die before you become entitled to a retirement benefit. If you are receiving a Lifetime Pension, see the *Lifetime Pension Handbook* for information about the benefits payable on your death.

What benefit is payable if I die?

If you die on or after the age of 62, your Death Benefit will be the lump sum equal to your Accrued Retirement Benefit

If you die before the age of 62, your Death Benefit will be the lump sum equal to your Normal Death Benefit (subject to a minimum amount for some members).

Once we receive formal notification of your death, your Defined Benefit will be transferred 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 the Cash investment option investment returns from the date of your death. Changes in the daily unit price mean the value of your benefit will change on a daily basis.

Who receives my 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 [sunsuper.com.au/beneficiary](https://www.sunsuper.com.au/beneficiary) contains information about who you can nominate.

If you have not made a valid Binding Nomination, the lump sum will be paid to your spouse or children, or to your estate, as determined by the Trustee. Where you have made a Preferred Nomination the Trustee may take into consideration. If you do not have a spouse or children, the lump sum will be paid to your estate.

How much is my Normal Death Benefit?

Your Normal Death Benefit is a lump sum equal to the greater of:

- (a) the amount calculated at the date of death using the following formula, subject to a maximum of 7 times PFAS:

$$\text{PFAS} \times [\text{ABM} + (19.7 \div 100 \times \text{FS62})]$$

Where:

PFAS means your Prospective Final Average Salary;

ABM means your Accrued Benefit Multiple at the date of death;

FS62 means the number of years (and any fraction of an incomplete year) between the date of death and the date when you would have attained age 62; and

- (b) the Minimum Retirement Benefit as at the date of death; and
- (c) an amount calculated as at the date of death in accordance with the following formula, subject to a maximum of 7 times PFAS:

your Minimum Retirement Benefit as at the date of death +

$$\text{PFAS} \times (19.7 \div 100 \times \text{FS62})$$

Where:

PFAS means your Prospective Final Average Salary;

FS62 means the number of years (and any fraction of an incomplete year) between the date of death and the date on which you would have attained age 62.

For a member who joined the Flexible Benefits Fund before 1 April 1985, your death benefit will not be less than 5 times your annual rate of Salary at the date of death.

For Post 1982 Provident Members whose Normal Retirement Date is 65 years of age, your death benefit will not be less than the following formula, subject to a maximum of 5 times AS:

$$\text{AS} \times [\text{ABM} + (12\frac{1}{2} \div 100 \times \text{FS65})]$$

Where -

AS means your annual rate of Salary as at the date of death;

ABM means your Accrued Benefit Multiple at the date of death;

FS65 means the number of complete years between your last birthday prior to death (or, if you died on your birthday, that day) and the date that you would have attained age 65.

Example - Normal Death Benefit

Jenny became a Defined Benefit member aged 34. Jenny dies at age 54, leaving behind a husband and no dependent children.

Jenny's salary at death is \$80,000, and her **Accrued Benefit Multiple** (based on varying contribution dates over her membership) is 3.4.

As such, Jenny's **Normal Death Benefit**, payable as a lump sum, at the date of death, is calculated as:

$$= \text{PFAS} \times [\text{ABM} + (19.7 \div 100 \times \text{FS62})]$$

$$= \$80,000 \times [3.4 + (0.197 \times 8)]$$

$$= \$398,080$$

Where:

- PFAS is Jenny's Prospective Final Average Salary (\$80,000);
- ABM is Jenny's Accrued Benefit Multiple at the date of death;
- FS62 is the number of years (and any fraction of an incomplete year) between the date of death and the date on which you would have attained age 62.

Additional accumulation account

Your Additional accumulation account will be paid in addition to the amount calculated as your death benefit. This may be paid to your estate or beneficiaries as a lump sum, or if the benefit is paid to your spouse they may be eligible for an income stream from a *Sunsuper for life Income account*.

7. Your Total & Permanent Disablement and Incapacity benefit

A Total & Permanent Disablement benefit will be payable if the Trustee determines that you meet the definition of Total & Permanent Disablement as set out in the DuluxGroup Plan Rules. Total and Permanent Disablement means:

- You have been absent from the employ of a DuluxGroup employer through injury or illness for six consecutive months or such lesser period as the Trustee considers appropriate; and
- In the opinion of the Trustee, after consideration of evidence satisfactory to the Trustee, you have become disabled to such an extent as to render you unlikely ever to resume work in or attend to any remunerative work for which you are or may become reasonably suited by education, training or experience.

Incapacity means a failure of mental or physical health which, in the opinion of the Trustee after consideration of evidence satisfactory to the Trustee, permanently incapacitates a member from doing ordinary work in the employ of the Employer and which in the opinion of the Trustee is not due to the member's own fault or misconduct.

Options for your Total & Permanent Disablement or Incapacity benefit

You can elect to take your benefit as:

- A lump sum, or
- A Lifetime Pension benefit.

You must notify the Trustee of your selection generally within 90 days after ceasing employment. If you do not notify your selection within that timeframe, the Trustee will make the selection for you. The Trustee's policy is to pay a lump sum benefit unless the member selects a pension within the time period.

Please refer to the *Lifetime Pension Handbook* to understand the benefits of a Lifetime Pension, and call Sunsuper on **13 11 84** if you would like some advice.

What benefit is payable if I am determined to be suffering from Total & Permanent Disablement?

If you are determined by the Trustee to be suffering from Total & Permanent Disablement, dependent on the type of benefit you have elected to receive, the following conditions apply.

If you ceased employment before the age of 62 and you receive a lump sum, your benefit will be calculated in the same way as your Normal Death Benefit, as at the day you ceased work.

If you ceased employment on or after the age of 62 and you receive a lump sum, your benefit will be equal to your Accrued Retirement Benefit.

However, for a Post-1982 Provident Member whose Normal Retirement Date is your 65th birthday, your lump sum benefit will not be less than the amount that would have been paid as a death benefit if you had died on the date you ceased employment.

If you select a Lifetime Pension, the annual amount payable will be equal to one-tenth of the Defined Benefit lump sum determined, and will be payable for your lifetime. The Trustee may have a discretion to vary, suspend or cease payments if you recover sufficiently before the Normal Retirement Date to be able to earn an income.

What benefit is payable if I am determined to be suffering from Incapacity?

An Incapacity Benefit is payable if you cease employment due to Incapacity before your Normal Retirement Date. To qualify, you must have been incapacitated to the extent that you cannot work in your own job again (you must meet the definition of "incapacity" in the Trust Deed which is separate to the definition of Total & Permanent Disablement).

If you ceased employment due to Incapacity before the age of 62 and you receive a lump sum, your benefit will be calculated in the same way as your Normal Death Benefit, calculated as at the day you ceased work, but will include only 20% of FS62 (**FS62** means the number of years (and any fraction of an incomplete year) between the date of death and the date on which you would have attained age 62).

If you ceased employment due to Incapacity on or after the age of 62 and you receive a lump sum, your benefit will be equal to your Accrued Retirement Benefit.

For a Post-1982 Provident Member whose Normal Retirement Date is your 65th birthday, your lump sum benefit will be calculated in the same way as if you had died on the date you ceased employment.

If you select a Lifetime pension, the annual amount of pension payable will be equal to one-tenth of the lump sum determined, and will be payable for your lifetime. Your pension will only commence when you are eligible under the preservation rules. The Trustee may have a discretion

to vary, suspend or cease payments if you recover sufficiently before the **Normal Retirement Date** to be able to earn an income.

Additional accumulation account

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

8. 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 (ABM)

Calculated by the following formula having regard to the period of Combined Membership at one or more of the Contribution Rate Options.

Your **Fund Multiple**, plus your **Former Fund Multiple**, plus your **Provident Fund Multiple**.

Accrued Retirement Benefit

As at the date of calculation, the greater of

- your Accrued Benefit Multiple x your Final Average Salary; and
- your Minimum Retirement Benefit at the date of retirement or Normal Retirement Date, and if you retire after the Normal Retirement Date, plus compound interest on your Minimum Retirement Benefit at the Declared Rate; plus any contributions paid by you after the Normal Retirement Date accumulated with compound interest at the Declared Rate.

(If you joined the Flexible Benefits Fund prior to 1 July 1992, your benefit may be subject to a minimum guarantee - refer to Minimum Retirement Benefit details in Section 4)

Accrued Withdrawal Benefit:

The product of your Accrued Benefit Multiple, the Reduction Factor and your Final Average Salary

Combined Membership:

The aggregate period of your continuous membership in the DuluxGroup Superannuation Plan and the Former Fund, and (where applicable) the Flexible Benefits Fund and the Provident Fund.

Contribution Review Date:

You can change your rate of contribution annually at 1 July, or as otherwise agreed by your DuluxGroup payroll.

Contribution Rate Options:

0%, 1%, 2%, 3%, 4%, 5%, 6%, 7% of salary.

If you contribute to these rates from your Pre-tax salary, the amount of your contribution will increase by 15% for tax purposes. For further information please refer to the *Sunsuper for life guide*.

Declared Rate means a rate of net earnings on investment of Defined Benefit assets. A Declared Rate may be positive or negative.

Final Average Salary (FAS)

Your highest annual average salary during any three consecutive years of Combined Membership preceding the date of calculation.

Flexible Benefits Fund

The former superannuation fund known as The Flexible Benefits Super Fund (formerly known as the Orica Group Superannuation Fund and before that known as the ICI Australia Limited and Associated Companies Superannuation Fund).

Former Fund Multiple:

The multiple applicable to the period of your membership to the Former Fund and any Predecessor Fund other than the Provident Fund, as notified by your Former Fund Trustee.

Fund multiple

Your Fund Multiple is calculated as 1/100 of your accrual rate, multiplied by the number of years of membership of the DuluxGroup Superannuation Plan (and any fraction of an incomplete year) at one or more the Contribution Rates. The accrual rate for each contribution rate is shown below:

Accrual Rate	Your after-tax contribution rate	Your before-tax contribution rate
4.7	0%	0.00%
7.7	1%	1.18%
10.7	2%	2.35%
13.7	3%	3.53%
16.7	4%	4.71%
19.7	5%	5.88%
22.7	6% ¹	7.06% ¹
25.7	7% ¹	8.24% ¹

¹ You can only contribute these amounts if your **Accrued Benefit Multiple** is less than your **Maximum Multiple**.

Maximum Multiple:

The product of 19.7 ÷ 100 and the number of years (and any fraction of an incomplete year) of your Combined Membership.

Normal Retirement Date

Your 65th birthday, or an earlier date not being earlier than your 62nd birthday:

- (a) as already applies to you from the Former Fund, or
- (b) as agreed between you and the Employer, with the consent of the Principal Employer and the Trustee.

Post 1982 Provident Member

A member who joined the Flexible Benefits Fund on or after 1 August 1982 and was previously a member of the Provident Fund.

Predecessor Fund means the Flexible Benefits Fund and the Provident Fund, and any other superannuation fund membership of which was relevant to the calculation of benefits in the Former Fund.

Provident Fund

The former superannuation fund known as ICI Australia Limited and Associated Companies Joint Provident Fund.

Provident Fund Multiple

The multiple applicable to the member's period of membership of the Provident Fund, as notified by your Former Fund Trustee.

Prospective Final Average Salary (PFAS)

Your PFAS is calculated as your Final Average Salary if you had continued to be employed until the age of 62.

Reduction Factor:

Your Reduction Factor is based on when you first became a member of the Former Fund or any Predecessor Fund and is calculated as 0.700 from your membership start date, increasing uniformly to 1.000 by the time you turn 55.

Your actual Reduction Factor will be based on your age calculated in years and days. This is unique for every member and values may change depending on your individual circumstances.

Refer to page 6 where a Reduction Factor example has been provided.

9. Other terms and conditions

Choice of Fund and Portability

You may instruct your employer to pay your super contributions to another fund. If a Defined Benefit member makes such an election, their Defined Benefits will be affected. 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 the DuluxGroup Superannuation Plan to another superannuation fund at any time.

Reduction for Tax assessments

Any additional government surcharges or taxes (e.g. a Division 293 tax assessment), will be deducted from your Additional Voluntary Contribution account or if you do not have an Additional Voluntary Contribution 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.

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.

10. *Sunsuper for life* Income accounts

When can I set up a *Sunsuper for life* Income account?

If you are entitled to receive a lump sum benefit, you can choose to set up a *Sunsuper for life* Income account, if you qualify under the preservation rules. You may be able to either set up an *Retirement income account* or a *Transition to retirement income account*, depending on your age and circumstances.

If you are still working for your employer, you can also set up an *Income account* with your Additional Voluntary Contribution Account, or part of that account, if you qualify under the preservation rules.

More information on *Income accounts* can be found in the *Sunsuper for life* guide.

An Income Account provides an account based pension, and does not provide a Lifetime Pension.

Cooling Off Period

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 pension, or
- 5 days after the commencement of the payment of the pension.

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

11. Facts about making a claim

Let us help you

We understand that making a claim can sometimes be a stressful and difficult process. 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 are able to assist you. Our Claims Representatives are trained specialists who will handle your claim journey with compassion and professionalism.

All of 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.

Sunsuper insurance claims guide

Want to know more about:

- Making a claim
- How a claim is assessed

We have developed a *guide* to help step you through the various claims processes. Visit [sunsuper.com.au/makeaclaim](https://www.sunsuper.com.au/makeaclaim) for more information on making a claim.

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 Sunsuper Trustee, including determination of the beneficiary/s,
- Decision by the Sunsuper 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, Sunsuper is notified by a relative or legal personal representative to enable the claims process to begin. Once we receive formal notification of your death, your Defined Benefit will be transferred 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 on a daily basis.

Disablement claims (Total & Permanent Disablement, Incapacity and Terminal Illness)

Sunsuper should be notified as soon as reasonably possible after an event that is likely to give rise to a disablement claim. Please note that there is a 6-month Waiting Period before a Total & Permanent Disablement claim becomes assessable.

If your claim is declined

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

If the Sunsuper Trustee declines your claim and you disagree with this decision you can either:

- lodge a complaint in writing, with Sunsuper. Your complaint will be investigated, and if the decision to decline your claim is confirmed by the Fund, you can refer your complaint to the Australian Financial Complaints Authority (AFCA), or
- lodge a complaint directly with AFCA, however AFCA may refer your complaint back to Sunsuper.

There are time limits on when you can make a complaint to AFCA about a Total & Permanent Disability claim. Call AFCA on 1800 931 678 or visit their website www.afca.org.au for more information about these time limits.

AFCA replaced the Superannuation Complaints Tribunal (SCT) on 1 November 2018.

AFCA's contact details are as follows:

Australian Financial Complaints Authority

GPO Box 3 Melbourne VIC 3001

Call: 1800 931 678

Email: info@afca.org.au

Web: www.afca.org.au

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.

If you need some financial advice and help deciding what you should do in the short-term as well as a long term plan, please don't hesitate to contact one of our dedicated qualified financial planners.

Call **13 11 84** to speak to one of our phone based qualified financial planners¹ who can give you simple advice about your Sunsuper account at no additional cost. For more comprehensive advice, we may also refer you to an accredited external financial planner². Advice of this nature may incur a fee.²

¹ Sunsuper employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), wholly owned by the Sunsuper Superannuation Fund.

² Sunsuper has established a panel of accredited external financial planners for our members. Sunsuper does not receive or pay any referral fees to these planners. Each of these planners will explain to you how their advice fees are determined. The accredited external financial planners are not employed by Sunsuper, and Sunsuper is not responsible for the advice provided by these planners.

