

Super Savings - Corporate

Defined Benefit Handbook

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Otis Elevator Superannuation Plan
- Categories 1, 2 & 3

OTIS[®]

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Important information

This is the Super Savings - Corporate Defined Benefit Handbook for the Otis Elevator Superannuation Plan Categories 1,2 and 3 (Handbook). This Handbook contains information for Defined Benefit members about their Defined Benefits (including insured benefits) and Additional Accumulation account in the Otis Elevator Superannuation Plan (Plan). This Handbook may reference important information contained in the following:

- Super Savings - Corporate Defined Benefit Additional Insurance Guide - Otis Elevator Superannuation Plan (Additional Insurance Guide), containing information about Additional insurance cover available to you,
- Super Savings Accumulation Guide, containing information about superannuation in general and Super Savings in particular,
- Super Savings Investment Guide, containing information about the investment options available in the Otis Elevator Superannuation Plan,
- Employer and Salary Sacrifice Contributions for Defined Benefit Members Factsheet,
- Super Savings - Corporate Product Disclosure Statement for Accumulation Account Otis Elevator Superannuation Plan (Additional Accumulation Account PDS), containing information about the Additional Accumulation account; and
- Super Saving Product Disclosure Statement for Income Account and Lifetime Pension (Super Savings Income Account PDS), containing information about Super Savings Income Account.

This Handbook, Additional Accumulation Account PDS, Super Savings Income Account PDS, Additional Insurance Guide, Super Savings Accumulation Guide and the Super Savings Investment Guide, Employer and Salary Sacrifice Contributions for Defined Benefit Members Factsheet are all available at portal.australianretirementtrust.com.au/otis and should be read before making a decision regarding your benefits.

This Handbook and all Super Savings products are issued by Australian Retirement Trust (ABN 88 010 720 840, AFSL No. 228975) (Trustee) as trustee for Australian Retirement Trust (Fund). Any reference to “we”, “us”, or “our” in this Handbook is a reference to the Trustee as trustee of the Fund (ABN 60 905 115 063).

General advice disclaimer

This document contains general information only and doesn't take into account your personal objectives, financial situation or needs. Before acting on any information in this document, you should consider the appropriateness of the information with regard to your objectives, situation and needs. You should consider obtaining financial advice tailored to your circumstances. Before making any decision to acquire or continue to hold any financial product, you should consider whether the product is right for you by reading the relevant product disclosure statement (PDS). Call us if you would like to speak to a qualified financial adviser about your account.

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.

Financial Services Guide (FSG)

Contains information about the financial services Australian Retirement Trust Pty Ltd (ABN 88 010 720 849 AFSL No. 228975) provides and will help you decide whether to use these services. Visit australianretirementtrust.com.au/fsg or contact us for a copy.

Australian Retirement Trust is the superannuation fund that Otis Elevator Company and the other employers that participate in the plan have chosen to manage their Defined Benefit plan. Otis Elevator Company Pty Limited are not responsible for the preparation of this document. They are not providing advice or a recommendation in relation to your benefit in the Otis Elevator Superannuation Plan (Plan).

This Handbook contains information about the specific features of the Plan 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 United Technologies Corporation Retirement Plan (Former Fund).

The details of the Defined Benefits in the Plan are documented in the Otis Elevator Superannuation Plan Benefit Deed (Benefit Deed), which is an agreement between Australian Retirement Trust Pty Ltd (the Trustee) and Otis Elevator Company Pty Limited (Otis Elevator Company). Your benefits are governed by the Benefit Deed, and by the terms and conditions of the Trust Deed of Australian Retirement Trust 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 Benefit Deed or group life policy, then the Trust Deed provisions, Benefit Deed or group life policy will override this Handbook.

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 Plan and through a group insurance policy issued by Zurich Australia Limited (Zurich) ABN 92 000 010 195 AFSL 232510 to the Trustee of Australian Retirement Trust. In the event of any difference between the information in this document and the group insurance policy issued by Zurich, the group insurance policy overrides this document. Additional insurance cover is available to eligible members on a voluntary basis.

1. About the Otis Elevator Superannuation Plan

The Plan provides benefits for members of the Former Fund who transferred to Australian Retirement Trust by a successor fund transfer on 1 July 2020. This Handbook outlines the arrangements within the Otis Elevator Superannuation Plan for Defined Benefit members of the Former Fund. The Defined Benefit categories of the Former Fund were closed to new members from December 2008. A separate Super Savings – Corporate Product Disclosure Statement for Accumulation Account outlines the arrangements within the Plan that apply for Accumulation members.

You remain a member of the Plan while you meet the eligibility conditions under the 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 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, retirement, disablement, or death. As a member of the Former Fund, your Defined Benefit may also be subject to a minimum benefit to ensure compliance with the *Superannuation Guarantee (Administration) Act 1992*.

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 the Plan. Information on Income accounts can be found in the Super Savings Product Disclosure Statement for Income Account and Lifetime Pension, available at australianretirementtrust.com.au/pds.

You may also have an Additional Accumulation account (your Retirement Credit). 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 Plan.

2. Contributions

Your rate of member contributions directly impacts the value of your Defined Benefit.

The *Contribution Rate Options* available are:

- 0% (Category 1),
- 2.5% (Category 2) or 2.94% if paid before tax,
- 5% (Category 3) or 5.88% if paid pre-tax

You can pay your contributions by after-tax contributions or, with your employer's agreement, you can pay the contributions by salary sacrifice (before tax). The amount of salary sacrifice contributions is adjusted for the tax effect of salary sacrifice.

You can change your rate of contributions at any time as agreed with your payroll.

The contributions you make in your elected category from time to time determine your total accrued benefit multiple for Leaving Service and Retirement after age 55.

Your accrued benefit multiple is calculated as your *Fund Multiple*, plus your *Former Fund Multiple*.

Your *Fund Multiple* in the Plan is calculated at the accrual rate for each category, multiplied by the number of years of membership of the Plan (including part years) you were in each category. The accrual rate for each category is shown below:

Category	Accrual rate
1	9% a year for leaving service prior to age 55 11% a year for retirement after age 55
2	11.5% a year for leaving service prior to age 55 15% a year for retirement after age 55
3	14% a year for leaving service prior to age 55 18.5% a year for retirement after age 55

Your *Former Fund Multiple* will be as advised by the Former Fund Trustee. For members under age 55 at date of Plan commencement we will also be advised of your *Former Fund Multiple* for Leaving Service.

Defined Benefit contributions

Your employer, on the advice of the Otis Elevator 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 Plan to pay benefits.

Additional Accumulation account

Your Additional Accumulation account can be one of, or a combination of your:

- Additional Voluntary Contribution Account, or
- 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 Additional Voluntary 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 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 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.

How Super is taxed

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 or your Additional Accumulation account does not have sufficient funds, we may set up an Offset Account for you. An Offset Account is an accumulation-style account that reduces the value of your defined benefits when they become payable.

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 after-tax voluntary contributions

If you claim a tax deduction for any after-tax voluntary contribution to your Additional Voluntary Contribution Account, it becomes a before-tax (concessional) contribution (refer to Concessional contributions cap for more information). You should seek financial advice if you are considering claiming a tax deduction for your after-tax contributions.

Concessional contributions cap

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 2023-24 the concessional (before-tax) contributions 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 taxed contributions 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.

The formula will allow you to calculate if you are able to make any voluntary concessional contributions so as not to exceed the concessional contributions cap (as described above). Should the formula provide an amount in excess of the concessional contributions cap, and if you are eligible for the grandfathering provisions, 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, and
- Your contributions – whether you contribute required member contributions to the Plan and if they are before-tax (concessional contributions) or after-tax (non-concessional contributions).

Please refer to the Employer and Salary Sacrifice Contributions for Defined Benefit Members of the Otis Elevator Superannuation Plan factsheet available at portal.australianretirementtrust.com.au/otis 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 for that financial year.

Non-concessional contributions cap

For 2023-24, the non-concessional (after-tax) contributions cap is generally \$110,000 p.a.

If on 30 June of the previous financial year your 'total superannuation balance' is equal to or above the general transfer balance cap (\$1,900,000 from 2023-24) your non-concessional contributions cap for the next financial year will be nil.

The non-concessional contributions cap does not include downsizer contributions - refer to the Super Savings Accumulation Guide for more information about downsizer contribution. 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 Otis Elevator Company, decides on the investment of the assets that support your Defined Benefit entitlements.

The Otis Elevator Superannuation Plan Defined Benefit reserve is invested in the Balanced investment option.

Additional Accumulation account

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.

For information on investment options and investment risk refer to the Super Savings Investment Guide, available at portal.australianretirementtrust.com.au/otis

4. Your benefits

Your benefits

The Plan provides a Death Benefit, a Total & Permanent Disablement Benefit, a Retirement Benefit, or a Leaving Service 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 in the Plan. This account will be invested in the Balanced investment option 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 transfer can be a lengthy process to complete, considering the level of information required and our dependency on external parties, including employers.

At the time your accrued Defined Benefit amount is paid, if you have selected an investment option for your Additional Accumulation account the accrued Defined Benefit amount will be combined with your Additional Accumulation account and invested according to your investment option choice.

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

It's important to note that if you receive an accrued Defined Benefit amount, this will be subject to investment returns from the date you leave employment until the date we transfer your accrued Defined Benefit amount to the Super Savings Accumulation account, or until your benefit is otherwise 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 daily investment option unit prices means 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. Speak to your adviser to get the advice you need. If you don't have your own personal financial adviser and you need advice about your Super Savings –

Corporate Defined Defined Benefit account, call us on **13 11 84**. Australian Retirement Trust also has qualified financial advisers who can help you over the phone with simple advice about your Super Savings – Corporate Defined Benefit account. This service is included in your membership.¹ For more comprehensive advice, we may also 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.

Refer to Section 10. What happens to my insurance cover if I leave my employer? For details on how this affects your Death and Total & Permanent Disability cover.

Retirement Benefits

When you retire from employment with Otis Elevator Company or one of the participating employers in the Plan, on or after age 55 (other than retirement due to Total & Permanent Disablement), you will be entitled to your Retirement Benefit.

Amount of lump sum Retirement Benefit from age 60

If you retire on or after your 60th birthday the lump sum payable will be equal to your accrued Retirement Benefit as at the date of retirement. Your benefit will be:

$$= [\text{Your Former Fund Multiple} + \text{Fund Multiple}] \times \text{Final Average Salary}$$

The accrual rates for each year of membership are:

- 11% - Category 1
- 15% - Category 2
- 18.5% - Category 3

Note - you may retire after age 65 (*Normal Retirement Date*) and your accrued multiple will continue to increase up until the date the Plan can legally continue to receive contributions from you (currently age 75).

Example

James is 64 and has a *Former Fund Multiple* of 3.650 on joining the Plan. His *Final Average Salary* is \$85,000. Since joining the Plan, James was a Category 2 member for 1 year and elected to join Category 3 for 2 years. His Retirement Benefit would be:

$$\begin{aligned} &= [\text{Former Fund Multiple} + \text{Fund Multiple in the Plan}] \times \text{Final Average Salary} \\ &= [3.650 + (1 \times 0.15) + (2 \times 0.185)] \times \$85,000 \\ &= 4.17 \times \$85,000 \\ &= \$354,450 \end{aligned}$$

Plus the balance of any Additional Accumulation account, less any Offset account (if any).

Amount of lump sum Retirement Benefit from age 55 to 60

For members who retire between age 55 and 60, the benefit described above will be reduced by a *Discount Factor* equal to $\frac{1}{12}$ th of 1% for each complete month (i.e. 2% for each year) prior to age 60.

Example

Cathryn decides to retire at age 57 and her *Final Average Salary* is \$75,000. Her *Former Fund Multiple* was 3.250 and she has been a Category 3 member for 2 years since joining the Plan.

Cathryn's benefit would be:

$$\begin{aligned} &= [\text{Former Fund Multiple} + \text{Fund Multiple}] \times \text{Final Average Salary} \times \text{Discount Factor} \\ &= [3.250 + (2 \times 0.185)] \times \$75,000 \times [1 - (3 \times 0.02)] \\ &= 3.620 \times \$75,000 \times 0.94 \\ &= \$271,500 \times 0.94 \\ &= \$255,210 \end{aligned}$$

Plus the balance of any Additional Accumulation account, less any Offset account (if any).

Late Retirement Benefit

If you continue to be employed by the Otis Elevator Company or a participating employer in the Plan after the age of 65, your Retirement Benefit will continue to accrue until you attain the age of 75 or cease employment. You can elect to take this amount either as a lump sum or as an income stream from a Super Savings Income account. Your Additional Accumulation account (if any) will also be added to your benefit payment.

If you reach age 75 and are still working, your *Fund Multiple* will cease accruing and your Defined Benefit will be converted to an Accumulation benefit. The value of your benefit is calculated on the same basis as the retirement benefit assuming you retired on your 75th birthday.

Leaving Service Benefits prior to age 55

Where a member leaves the employment of an Otis Elevator Company or a participating employer in the Plan and they are not entitled to any other benefit from the Plan, a Leaving Service Benefit is payable calculated as at the date of cessation of employment.

The amount is calculated as:

$$= [\text{Your Former Fund Leaving Service Multiple} + \text{Fund Multiple}] \times \text{Final Average Salary}.$$

The *Fund Multiple* for Leaving Service in each category for each year of membership are:

- 9% - Category 1
- 11.5% - Category 2
- 14% - Category 3

Note: If you were a member of the Former Fund on 30 November 1984, your leaving service benefit will also include an additional amount of 2 times the balance of your Pre 1/12/84 Account.

Example

Dennis is 44 and has a *Former Fund Leaving Service Multiple* of 1.840 on joining the Plan. His *Final Average Salary* is \$65,000. Since joining the Plan, Dennis was a Category 2 member for 2 years. His Leaving Service Benefit would be:

$$\begin{aligned} &= [\text{Former Fund Leaving Service Multiple} + \text{Fund Multiple in the Plan}] \times \text{Final Average Salary} \\ &= [1.840 + (2 \times 0.115)] \times \$65,000 \\ &= 2.070 \times \$65,000 \\ &= \$134,550 \end{aligned}$$

Plus the balance of any Additional Accumulation account, less any Offset account (if any).

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

You elect to work part-time at 60% of regular hours for 12 months. You are in Category 3. Your *Fund Multiple* will be calculated for that period as:

$$= 18.5\% \times 0.60$$

$$= 0.185 \times 0.6$$

$$= 0.111$$

Membership during periods of Leave without Pay (LWOP)

Your employer may approve a period of LWOP. During the agreed period of LWOP your *Fund Multiple* will not continue to accrue for the period.

Your *Salary* will be the last advised salary prior to taking leave.

Upon returning to employment, your benefit will then continue to accrue as described above.

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 LWOP may impact your insurance cover please refer to Overseas travel and unpaid leave on page 14.

Partial Withdrawals

You may transfer part or all of 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 tax free from age 60. While you have reached preservation age but are under 60 they are

tax free up to the Low Rate Cap of \$235,000 for 2023-24. For further information please refer to the Super Savings Accumulation Guide, available at art.com.au/otis

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 Super Savings Accumulation Guide.

5. 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 Plan 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.

6. Election to convert to accumulation

You may request at any time to convert your Defined Benefit to an accumulation benefit.

Choosing to cease your Defined Benefit is a decision that can't be reversed. Before making an election, you should contact us on **13 11 84** to understand the impact the decision will have on your benefits.

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?

The table below shows how the amount of Death Benefit is calculated.

Category	Multiple (for Death Benefit)
1	The greater of <ul style="list-style-type: none"> • 2¹ times your <i>Salary</i> plus your leaving benefit², and • 2 times your <i>Salary</i>
2	The greater of <ul style="list-style-type: none"> • 2¹ times your <i>Salary</i> plus your leaving benefit², and • 4 times your <i>Salary</i>
3	The greater of <ul style="list-style-type: none"> • 2¹ times your <i>Salary</i> plus your leaving benefit², and • 4 times your <i>Salary</i>

1. This reduces from age 55, please see the Minimum Death Multiple table below.

2. The benefit you would have been entitled to under Section 4 above.

You can change between categories at any time and may receive a higher Death Benefit. However, any increase in your Death Benefit is subject to satisfactory evidence of health and acceptance by the insurer.

Minimum Death Multiple table

Age ¹	Multiple on Death
55	1.8
56	1.6
57	1.4
58	1.2
59	1.0
60	0.8
61	0.6
62	0.4
63	0.2
64	0
65+	0

1. Age is measured at the previous 1 July review date

Example

Joan is age 50 and is a Category 1 member and wishes to calculate her Death Benefit. Her *Former Fund Leaving Service Multiple* is 1.600 and she has been in the Plan for 1 year. Her current *Salary* is \$80,000 and her *Final Average Salary* is \$75,000.

Her current benefit is:

$$= 2 \text{ times } \textit{Salary} + \textit{Leaving Service benefit}$$

$$= (2 \times \$80,000) + [(1.600 + (0.09 \times 1)) \times \$75,000]$$

$$= \$160,000 + \$126,750$$

$$= \$286,750$$

If Joan elects to join Category 3 by increasing her contribution rate, her benefit would increase to the greater of:

- The calculation above of \$286,750

or

- $4 \times \textit{Salary} = \$320,000$

The higher benefit of \$320,000 would be payable. Note that Joan would be required to provide satisfactory evidence of health prior to being eligible for this benefit.

In both examples above the balance of any Additional Accumulation account would be paid in addition to the calculated amount.

Insurance and your Death Benefit

For insurance purposes and to calculate your minimum Death Benefit, all employees are deemed to receive a minimum salary of \$25,000.

Any member who elects to change category from Category 1 to Category 2 or 3 and this results in an increased benefit, the increase in benefit may be subject to provision of satisfactory evidence of health to the Plan insurer. You will be notified if this applies to you.

Your Death Benefit pending payment

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?

In the unfortunate event of your death, the Trustee of Australian Retirement Trust is required to pay your death benefit to eligible beneficiaries or where there are no eligible beneficiaries, to any person who has a fair claim.

You can complete either a:

- preferred beneficiary nomination — which acts as a guide for the Trustee in deciding how to pay your death benefit, or
- binding death benefit nomination — which “binds” the Trustee to pay your death benefit to the nominated beneficiary(s).

Nominating beneficiaries ensures the Trustee of Australian Retirement Trust is aware of your wishes. If you do not nominate beneficiaries or your nomination is invalid, the Trustee will look for eligible beneficiaries to receive your death benefit.

There may be taxation implications arising out of the choice you make. You should read the material on tax and discuss the implications with your financial adviser.

Refer to the Super Savings Accumulation Guide for more information on nominating your beneficiaries.

What if I die after I leave the employment of Otis Elevator Company or one of the participating employers in the Plan?

If you die within 26 weeks of leaving the employment of Otis Elevator Company or one of the participating employers in the Plan, you may be entitled to a Death Benefit as if you had died on the day you ceased employment. The Death Benefit will be reduced by any Leaving Service Benefit which you were paid prior to your death or became entitled to before your death.

You will not be eligible for this Death Benefit if you have access to retirement or death benefits in another superannuation fund.

Should you have any insured component of your Death Benefit, please refer to Section 9 Additional insurance cover of this Handbook for the cover provided and the conditions for cover post leaving employment.

What happens if you are terminally ill?

If you have Death cover (Additional insurance cover or an insurance component of your defined Death Benefit), subject to providing all the required documentation to support your claim and approval by the Trustee and insurer, which includes certification of the *Terminal Illness* by the *Medical Practitioners* (as defined in the Definitions section), you will be paid a *Terminal Illness* benefit. The benefit paid is the amount of your Additional Accumulation account balance plus the amount of your Death Benefit (including the insured component and any Additional cover) in force at the most recent certification (up to a maximum of \$2,500,000).

Any remaining amount will be paid to your eligible beneficiaries on your death.

If you do not have Additional Death cover and there is no insurance component of your defined Death Benefit, subject to meeting the definition of *Terminal Medical Condition* (defined in superannuation law), the Trustee may pay you your defined Death Benefit calculated as described above.

An important difference between the definitions of *Terminal Illness* and *Terminal Medical Condition* is that for *Terminal Illness*, you must suffer an illness or injury likely to result in your death within 12 months, while for *Terminal Medical Condition*, a 24 month period applies.

8. Your Total & Permanent Disablement Benefit

A Total & Permanent Disablement (TPD) Benefit will be payable if the Trustee determines that you are totally and permanently disabled. For any defined Total & Permanent Disablement Benefit that includes an insurance component, or any Additional total and permanent disability insurance, you will need to meet the definition of Total & Permanent Disability.

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, we are here to help you along the way.

In order to lodge a claim for any defined Total & Permanent Disablement Benefit that includes an insurance component, or any Additional insurance cover, you will 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. Refer to the *Total & Permanent Disability* definition in the Definitions section.

If immediately before the *Event Date* you are not gainfully employed, not a permanent employee, or have not worked at least 15 hours per week on average for the 6 month period immediately before the *Event Date*, your claim for any benefit including an insurance component, or any Additional insurance, will be assessed under Parts 2, 3, 4 or 5 of the *Total & Permanent Disability* definition.

Our Claims Representatives are here to help you every step of the way and will confirm your eligibility to lodge a claim. Following lodgment of your claim application, the insurer will assess whether your claim is successful.

The assessment process takes into account 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 and permanently disabled?

If you are determined to be totally and permanently disabled by the Trustee, your benefit is calculated as follows. The insurance formula is 'Multiple x Salary' subject to annual reduction as shown in the table below, where the 'Multiple' is detailed in the table right.

Category	Multiple (for Total & Permanent Disability Benefit)
1	The greater of <ul style="list-style-type: none"> • 2¹ times your <i>Salary</i> plus your leaving benefit², and • 2³ times your <i>Salary</i>
2	The greater of <ul style="list-style-type: none"> • 2¹ times your <i>Salary</i> plus your leaving benefit², and • 4³ times your <i>Salary</i>
3	The greater of <ul style="list-style-type: none"> • 2¹ times your <i>Salary</i> plus your leaving benefit², and • 4³ times your <i>Salary</i>

1. Refer to the Minimum Death Multiple table in Section 7 above to see how this factor reduces on disablement after age 55.

2. The benefit you would have been entitled to under Section 4 above.

3. Refer to the Over 55 TPD Multiple table below to see how this factor reduces on disablement after age 55.

You can change between categories at any time and may receive a higher Total & Permanent Disablement Benefit. However, any increase in your Total & Permanent Disablement Benefit is subject to satisfactory evidence of health and acceptance by the insurer.

Your Total & Permanent Disablement Benefit reduces from age 55, please see the table below.

Over 55 TPD Multiple table

Age ¹	Category 1 TPD Multiple	Category 2 & 3 Multiple
55	2.0	4.0
56	1.8	3.6
57	1.6	3.2
58	1.4	2.8
59	1.2	2.4
60	1.0	2.0
61	0.8	1.6
62	0.6	1.2
63	0.4	0.8
64	0.2	0.4
65+	0	0

1. Age is measured at *Date of Disablement*.

Additional Accumulation account

Your Additional Accumulation account will be paid in addition to the amount calculated as your Total & Permanent Disablement Benefit. 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.

9. Additional insurance cover

As there's no "one size fits all" with insurance, you have the flexibility to make sure your cover is right for you. Australian Retirement Trust offers easy ways for you to change your cover, apply for Additional cover or cancel your cover.

You have the option to apply for Additional Death and Total & Permanent Disability cover to help ensure you and your family are adequately covered. Please refer to the Additional Insurance Guide for more details.

Any application for 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 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.

Types of cover available

The types of cover available are:

- Death only (this includes *Terminal Illness*)
- Death and Total & Permanent Disability

How much can I apply for?

You can apply for either Death and/or Total & Permanent Disability cover up to the following maximum cover levels (this includes any existing Standard cover):

- Death cover — unlimited
- *Terminal Illness* — \$2.5 million (this forms part of the Death cover)
- Total & Permanent Disability cover — \$5 million

Please refer to the Additional Insurance Guide for more details and how to apply.

Life events

Members have the opportunity to purchase Additional Death and Total & Permanent Disability cover without the need for medical evidence if any of the following “Life events” occur:

- Your marriage or involvement in an *interdependent relationship* for two or more years;
- Your dependent child starts secondary school;
- The birth of your child;
- Your adoption of a child; or
- Taking out a mortgage or increasing your mortgage
- on your principal place of residence with an accredited mortgage provider (excludes re-draw and refinancing).

You can purchase up to 25% of your Death and Total & Permanent Disability cover held in your Defined Benefit plan in place at the time you apply for cover under this option. The increase in cover cannot exceed \$250,000 or cause your total insurance cover to exceed the maximum benefit cover levels offered within the Plan.

Once you reach age 61, any Additional Total & Permanent Disability cover which is provided as a fixed amount of cover, reduces annually by 20% of your insured benefit at age 60, until the amount of cover is nil by the benefit expiry age of 65 when cover ceases.

The following conditions apply:

- You must apply within 90 days of the Life event; and
- You must provide the required “Proof of Life event” (see below); and
- You may only apply once in any 12-month period, up to 3 separate occasions in total but only once ever for marriage; and
- You must not be aged 55 years or older at the date of the Life event; and

- You must not have previously been refused Additional cover within the Plan; and
- At the time you apply for this increase, you must not have made a claim or been entitled to claim under any life insurance policy; and
- Your total cover cannot exceed the maximum benefit cover levels for each cover type; and
- Within the first six months from the date of increase, the increased amount is only payable if death or total and permanent disablement results from an *Accident*.

Proof of Life event details

The following documents are required to provide proof of a life event:

Age	Proof
Marriage or Interdependent relationship	Marriage Certificate or other evidence ¹
Dependent child starts secondary school	Letter of admission
Birth of Child	Birth Certificate
Adoption	Certificate of Adoption
Mortgage	Loan document ²

1. A copy of your marriage certificate in respect of a marriage recognised under the *Marriage Act 1961* (Cth), or for an interdependent relationship – a copy of evidence that establishes the subsistence of that relationship for at least two years.

2. A completed application form and written confirmation from your accredited mortgage provider(s) of:
a. the amount and effective date of the mortgage, where you take out a new mortgage.
b. the amount of the mortgage immediately preceding the increase, the effective date of the increase and the current level of the increased mortgage, where the insured member increases their mortgage, whether with an existing or different mortgage provider.

Important - Premium deductions for any Additional cover

While you may apply for additional cover, you should be aware that premiums for this cover will be deducted from your Additional Accumulation account. You will need to ensure you have a sufficient balance in this account to cover premium deductions. You may be required to commence voluntary contributions to ensure cover is retained.

Should the sum of your Additional Accumulation account reach zero, any Additional cover will lapse. Reinstating of cover is subject to insurer’s acceptance upon receipt of your application and information required by the insurer. Evidence of good health may be required.

Please refer to the Additional Insurance Guide for more details and how to apply.

10. What happens to my Additional insurance cover if I leave my employer?

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

Effective the date you cease employment with Otis Elevator Company or one of the participating employers, your insurance premiums and insurance fee for any Additional insurance cover may alter from the amounts you were paying in your Plan 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.

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.

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 cover and the cover provided in your Plan account. The replacement of 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 accounts is provided through group life policies issued by AIA Australia Limited ABN 79 004 837 861 to the Trustee of Australian Retirement Trust.

* For definitions, refer to the Super Savings Insurance Guide available at australianretirementtrust.com.au/pds

11. Other terms and conditions

Choice of Fund and Portability

You may instruct your employer to pay your super contributions to another fund, or elect to convert your Defined Benefit to an Accumulation account. If a Defined Benefit member makes such an election, their Defined Benefits will be affected. Choosing another fund for your contributions or converting your Defined Benefit to an Accumulation account 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 the Plan to another superannuation fund at any time.

Your duty to take reasonable care not to make a misrepresentation

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.

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 1975* (Cth), 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.

Financial Advice

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 qualified financial advisers on **13 11 84**. They can help you with a tailored financial plan. The cost of this advice is included with your membership.¹

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 (pdf) at australianretirementtrust.com.au/fsg for more information.

Overseas travel and approved leave

What happens during approved Paid Leave, Unpaid Leave or parental leave?

If you continue to meet the eligibility conditions, the maximum 24-month limitation applies and cover will stop after 24 months. If cover is required beyond 24 months, an application in writing is required prior to the expiration of the 24 months and is subject to insurer approval.

What happens if you travel overseas on paid leave?

Where you travel overseas while on paid leave from your Australian-based employer (or an international subsidiary or associated company of your Australian employer), your cover continues with no travel restrictions.

If you become disabled, or are claiming, a *terminal illness* or Total Permanent Disability benefit whilst overseas you may be required to return to Australia, at your own expense, for assessment, and if you refuse to do so, the insurer may refuse to pay a benefit.

If you continue to meet the eligibility conditions, the maximum 24-month limitation applies, and cover will stop after 24 months. If cover is required beyond 24 months, an application in writing is required prior to the expiration of the 24 months and is subject to insurer approval.

What happens if you temporarily reside overseas?

If you continue to meet the eligibility conditions, your cover will continue as long as you remain in the active employment of your Australian-based employer Otis Elevator Company (or an international subsidiary or associated company of your Australian employer). If you become disabled while based overseas you may, at your own expense be required to return to Australia for assessment of any disability claim.

The Total & Permanent Disability definition used in the event of a claim will depend on your employment status and the hours of work at the time of becoming disabled.

What happens if you are Employed under the terms of a work visa?

Employees employed under the terms of a work visa are eligible to apply for Additional cover.

If you are not an *Australian Resident* and hold a *Visa*, you will be covered for up to three years while working overseas for Otis Elevator Company, if such working arrangement is available. If cover is required beyond three years, an application in writing is required prior to the expiration of the three years. The insurer may accept or decline that application at their sole discretion.

12. Super Savings Income accounts

When can I set up a Super Savings Income account?

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

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

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

13. 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 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.

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 Trustee of Australian Retirement Trust, including determination of the beneficiary/s,
- Decision by the Trustee of Australian Retirement Trust, 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 Trustee of Australian Retirement Trust for review and consideration.

If the Trustee of Australian Retirement Trust declines your claim and you disagree with this decision you can either:

- lodge a complaint, with Australian Retirement Trust. 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 Australian Retirement Trust.

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'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.

Call **13 11 84** to speak to one of our phone based qualified financial advisers who can give you advice about your Super Savings Accumulation account. The cost of this advice is included with your membership.¹ For more comprehensive advice, we may also 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 (pdf) at australianretirementtrust.com.au/fsg for more information.

² Australian Retirement Trust has established a panel of accredited external financial advisers who are not employees of Australian Retirement Trust. Australian Retirement Trust 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.

14. Definitions for understanding your retirement benefit

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

Combined Membership

The aggregate period of your continuous membership in the Plan and the Former Fund.

Contribution Change Date

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

Contribution Rate Options

Category 1 = 0%,

Category 2 = 2.5% (2.94%* before-tax)

Category 3 = 5% (5.88%* before-tax)

***Note:** If you contribute to these rates from your before-tax salary, the amount of your contribution is increased by 15% for tax purposes. For further information please refer to the Super Savings Accumulation Guide.

Discount Factor

Your Discount Factor is calculated based on years and complete months. It applies for a Retirement Benefit for any member aged 55 or older and prior to them turning age 60.

It is calculated based on 1/60th of 1% for each complete month that your retirement precedes your 60th birthday. Refer to page 6 where a *Discount Factor* example has been provided.

Final Average Salary (FAS)

Your highest annual average *Salary* during any three consecutive years in the 10 (ten) years of *Combined Membership* preceding the date of calculation.

Former Fund Leaving Service Multiple

The leaving service multiple applicable to the period of your membership in the Former Fund as notified by your Former Fund Trustee.

Former Fund Multiple

The multiple applicable to the period of your membership in the Former Fund as notified by your Former Fund Trustee.

Fund Multiple

Your Fund Multiple in the Plan is calculated at the accrual rate for each category, multiplied by the number of years of membership of the Plan (including part years) you were in each category.

Normal Retirement Date

Your 65th birthday.

Salary

Your full-time equivalent salary or wage you are receiving at the time a benefit is due to be paid and excludes allowances, commissions, bonuses, directors' fees or overtime. It includes the Lift Industry Allowance (if applicable).

Definitions – general and insurance terms

Accident

means an external event which was unexpected and unintended causing death and or injury.

Exclusions – events that are not accidents

The following situations are not accidents, and any claims arising from these situations are excluded:

- one of the contributing causes of death or injury was any of the following conditions:
 - illness
 - disease
 - allergy
 - any gradual onset of a physical or mental infirmity.
- the injury or death, which was unintended and unexpected, was the result of an intentional act or omission, or
- you were injured or died as a result of an activity in respect of which they assumed the risk or courted disaster, irrespective of whether he or she intended injury or death.

Activities of daily living

The definition of Activities of daily living means:

- bathing and/or showering
- dressing and undressing
- eating and drinking
- using a toilet to maintain personal hygiene
- getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with assistance of a walking aid.

Activities of daily work

The definition of Activities of daily work means:

- bending – the ability to bend, kneel or squat to pick something up from the floor and straighten up again.
- communicating – the ability to:
 - clearly hear with or without a hearing aid or alternative aid if required,
 - comprehend and express oneself by spoken or written language with clarity, and
 - interact with others by listening, comprehending and speaking on a day-to-day basis and in a work environment.

- vision (reading) – the ability to read, with or without correction with suitable lenses, to the extent that an ophthalmologist can certify that:
 - visual acuity is equal to, or better than, 6/48 in both eyes, or
 - constriction is within or greater than 20 degrees of fixation in the eye with the better vision.
- walking – the ability to walk more than 200m on a level surface without stopping due to breathlessness, angina or severe pain elsewhere in the body
- lifting – the ability to lift, carry or otherwise move objects weighing up to 5kg using one or both hands
- manual dexterity – the ability, with reasonable precision and success, to:
 - use at least one hand, its thumb and fingers, including the ability to pick up and manipulate small objects, and
 - use a keyboard.

At Work

At Work means you are:

- actively performing all the duties of your occupation free from any limitation due to illness or injury,
- working your usual hours free from any limitation due to illness or injury, and
- is not in receipt of and/or entitled to claim income support benefits from any source including workers' compensation benefits, statutory motor accident benefits or disability income benefits (including government income support benefits).

An insured member who does not meet these requirements is correspondingly described as Not at Work. Not at work means you do not satisfy the definition of *At Work*.

Australian resident

Australian resident means an Australian citizen, a New Zealand citizen or a permanent resident within the meaning of the *Migration Act 1958* (Cth).

Cognitive Loss (permanent)

Cognitive loss means a total and permanent deterioration or loss of intellectual capacity due to the loss of or damage to neurons in the brain (or through acquired brain injuries or progressive neurodegenerative disease) that has required you to be under continuous care and supervision by another adult person for at least six consecutive months; that has been clinically observed and evidenced by accepted standardised testing, and that at the end of the six-month period they are likely to require ongoing continuous care and assistance by another adult person to perform any of the *Activities of daily living*.

Date of Disablement

Date of Disablement means:

- a) for Part 1 and Part 5 of the *Total & Permanent Disability* definition, the first day after the expiry of the waiting period
- b) for all other parts of the *Total & Permanent Disability* definition, the first day that all of the elements of the definition are satisfied.

Employed

Gainfully employed/gainful employment means employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

Event Date

Event Date means:

- a) for Part 1 of the *Total & Permanent Disability* definition, the first day of the waiting period during which you, in the insurers opinion, solely because of injury or illness, has not worked.
- b) for Part 2 of the *Total & Permanent Disability* definition, the date on which you suffer a permanent impairment of at least 25% of whole person function as described in the American Medical Association's publication Guides to the Evaluation of Permanent Impairment, 5th edition, or an equivalent guide to impairment approved by us, that results in the insured member's total and permanent disablement.
- c) for Part 3 of the *Total & Permanent Disability* definition, the date you suffer the loss of the use of two limbs (where 'limb' is defined as the whole hand or the whole foot), the sight in eyes, or the sight in one eye and the use of one limb.
- d) for Part 4 of the *Total & Permanent Disability* definition, the first day that you, in the insurers opinion, solely because of injury, is totally unable to perform at least three *Activities of daily work*.
- e) for Part 5 of the *Total & Permanent Disability* definition, the date on which you suffer a total and permanent deterioration or loss of intellectual capacity that results in your total and permanent disablement.

Final Average Salary (FAS)

Your highest annual average *Salary* during any three consecutive years in the 10 (ten) years of *Combined Membership* preceding the date of calculation.

Medical Practitioner

Medical Practitioner means a registered and qualified medical practitioner in Australia, or another country as approved by the insurer, who in the insurer's opinion, is qualified in an appropriate specialty, and who is not you, the insured member, or your spouse, family member, business partner, employee or employer.

Membership

Membership is the period of continuous membership of the Plan used to calculate the Defined Benefits set out in this Handbook. Membership is calculated in years and months (each month or part thereof counts as $\frac{1}{12}$ th of a year).

Permanent part-time employees accrue membership according to their actual working hours. For example, three days per week accrues 0.60 years of membership every 12 months.

Normal Retirement Date

Your 65th birthday.

Permanent Incapacity

Permanent Incapacity is defined in the Superannuation Industry (Supervision) Regulations 1994 (Cth). A member of a superannuation fund is taken to be suffering *Permanent Incapacity* if the trustee of the fund is reasonably satisfied that the member's ill-health (whether physical or mental) makes it unlikely that the member will engage in gainful employment for which the member is reasonably qualified by education, training or experience.

Pre-existing condition

Pre-existing condition means an injury that first occurred, or an illness which first became apparent, to you, or any directly or indirectly related condition, before the date cover commenced, recommenced or increased.

Salary

Salary for insurance purposes is base salary, excluding commissions, bonuses, allowances and overtime. However, Lift Industry Allowance is included. For insurance purposes,

- employees are deemed to receive a minimum *Salary* of \$25,000 per annum, and
- if you are working part time, you will be deemed to receive the full-time equivalent salary.

Terminal Illness

Terminal Illness means an illness or injury where all of the following (a), (b), (c), (d) and (e) are satisfied in respect of you:

- a) two *Medical Practitioners* certify in writing ("Written Certification") that you suffer from an illness or has incurred an injury that is likely to result in your death within 12 months from the date of Written Certification ("Certification Period");
- b) the insurer is satisfied from medical or other evidence that you will likely, despite reasonable medical treatment, die from the illness or injury within the Certification Period;
- c) at least one of the *Medical Practitioners* is a specialist *Medical Practitioner*, and one which may be appointed by us;

- d) for each Written Certification, the Certification Period has not ended; and
- e) the Written Certification by both *Medical Practitioners* must be dated during the period you are insured for Death Cover under the policy.

Terminal Medical Condition

Terminal Medical Condition is a condition of release under the Superannuation Industry (Supervision) Regulations 1994 (Cth). For more information refer to the Super Savings Accumulation Guide.

Visa

Visa means a current and valid visa permitting residency (excluding a visa allowing permanent residency in Australia) or employment in Australia issued in accordance with the *Migration Act 1958* (Cth) or any amending or replacing Act which enables an eligible person or insured member to working in Australia.

Definitions – Total & Permanent Disability

It is important that you understand the Total & Permanent Disability definition and the factors that can impact the payment of a benefit. The following statements are here to assist your understanding of the Total & Permanent Disability definition. The Total and Permanent Disability definition will apply to all Total and Permanent Disablement claims where there is an insurance component of the benefit payable, and/or where you have Additional insurance cover.

Already receiving disability support payments –

just because you may be eligible to access your superannuation balance because of assessed *permanent incapacity* or you are receiving or entitled to benefits from Centrelink (for example, a Disability Support Pension) or workers compensation payments, does not mean you are automatically entitled to a Total & Permanent Disability Benefit. The insurer will take these matters into account but you must also meet the applicable total & permanent disability definition.

How is your prior education, training and experience taken into account? –

if you were gainfully working when suffering the injury or illness which causes your disablement, your entitlement to a Total & Permanent Disability Benefit will be focused on whether you can ever work again in the future. The insurer will look at your capacity to perform any suitable occupation based on all your education, training and experience and not just your usual occupation or the job you were doing immediately prior to your disablement.

Usually, if you are gainfully working when you suffer your injury or illness, to qualify for a total and permanent disability benefit, you will first need to have been unable to work for a certain period of time (a 'waiting period') before the insurer will consider whether you are unable or unlikely to return to work in the future. The insurer may take into account all your education, training and experience up to the end of any waiting period (as set out in the definition).

Working on a part-time basis – in assessing your capacity to return to work in the future, the insurer is not limited to only considering your ability to work the same hours you were working, and to earn the same pay as you were earning, before you became injured or ill. Your ability to participate in part-time work, regular casual work and/or lower paid work after you become injured or ill may disqualify you from receiving a Total & Permanent Disability Benefit payment.

Work availability - if suitable work is identified as being within your capacity to perform, the availability of the work in your immediate geographical area, or its desirability to you, will not be relevant considerations. It is your capacity to perform work for which you are reasonably qualified that is assessed.

Unemployed at the date of disablement – if you were unemployed at the time you suffer the injury or illness causing your disablement, whether you are entitled to a Total & Permanent Disability Benefit will not only be assessed based on your capacity to work in the future. Instead, you may be considered totally & permanently disabled if,

- you suffer the loss of limbs and/or sight, or
- you suffer the loss of intellectual capacity which requires you to be under continuous care for a minimum of six consecutive months, or
- you are unable to do basic activities associated with daily living without assistance of another person such as bathing, dressing and undressing, eating and drinking, use of a toilet or mobility.)

How will your benefit be paid – if you are eligible for a Total & Permanent Disablement Benefit, this will be paid to you as a single lump sum payment.

Have you suffered a permanent impairment – you may be considered totally & permanently disabled if,

- you suffer a permanent impairment of at least 25% of whole person impairment, or
- you suffer the loss of limbs and/or sight, and
- you are unlikely ever to engage in any occupation or profession again.

Total & Permanent Disability means:

Part 1 - Any Occupation

You are an insured member and satisfy all of the following (a), (b) and (c):

- a) you are gainfully working for an average of at least 15 hours per week as a permanent employee (including an eligible contractor) on the day immediately prior to the *Event Date*, and
- b) has either:
 - i) worked for at least six consecutive months or more immediately prior to the *Event Date*, or
 - ii) worked for less than six consecutive months immediately prior to the *Event Date* but has in fact worked for an average of 15 hours or more per week since commencing cover under the policy, and
- c) in the insurer's opinion based on medical or other evidence satisfactory to us, solely because of injury or illness, you:
 - i) have not worked at any time during the waiting period, and
 - ii) as at the *Date of Disablement* are unlikely ever to be able to work in any gainful employment for which you are reasonably suited by education, training or experience.

Part 2 - Permanent Impairment

You satisfy all of the following (a), (b) and (c):

- a) you are gainfully working on the day immediately prior to the *Event Date*,
- b) solely because of injury or illness, you suffer at least 25% permanent whole person impairment as defined in the American Medical Association publication Guides to the Evaluation of Permanent Impairment, 5th edition, or an equivalent guide to impairment approved by the insurer, and
- c) in the insurer's opinion based on medical or other evidence satisfactory to the insurer, solely because of injury or illness, you are at the *Date of Disablement* unlikely ever to be able to work in any gainful employment for which you are reasonably suited by education, training or experience.

Part 3 - Specific Loss

You satisfy all of the following (a) and (b)

- a) solely because of injury or illness, suffers the total and permanent loss of the use of either:
 - i) two limbs (where 'limb' is defined as the whole hand or the whole foot), or
 - ii) the sight in both eyes, or
 - iii) one limb and the sight in one eye,which is certified by at least two *Medical Practitioners*, and
- b) in the insurer's opinion based on medical or other evidence satisfactory to the insurer, solely because of injury or illness, you are at the *Date of Disablement* unlikely ever to be able to work in any gainful employment for which you are reasonably suited by education, training or experience.

Part 4 - Activities of Daily Work

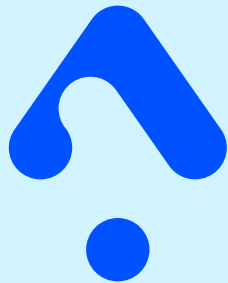
You satisfy all of the following (a) and (b)

- a) solely because of injury or illness, you are totally and irreversibly unable to perform at least three activities of daily work, and
- b) in the insurer's opinion based on medical or other evidence satisfactory to the insurer, solely because of injury or illness, you are at the *Date of Disablement* unlikely ever to be able to work in any gainful employment for which you are reasonably suited by education, training or experience.

Part 5 - Cognitive Loss

You satisfy all of the following (a) and (b)

- a) solely because of injury or illness, you suffer *Cognitive Loss*, and
- b) in the insurer's opinion based on medical or other evidence satisfactory to us, solely because of injury or illness, you are at the *Date of Disablement* unlikely ever to be able to work in any gainful employment for which you are reasonably suited by education, training or experience.



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