

Commonwealth Bank Group Super
Actuarial Investigation
as at 30 June 2021

Volume 2 of 2

17 December 2021

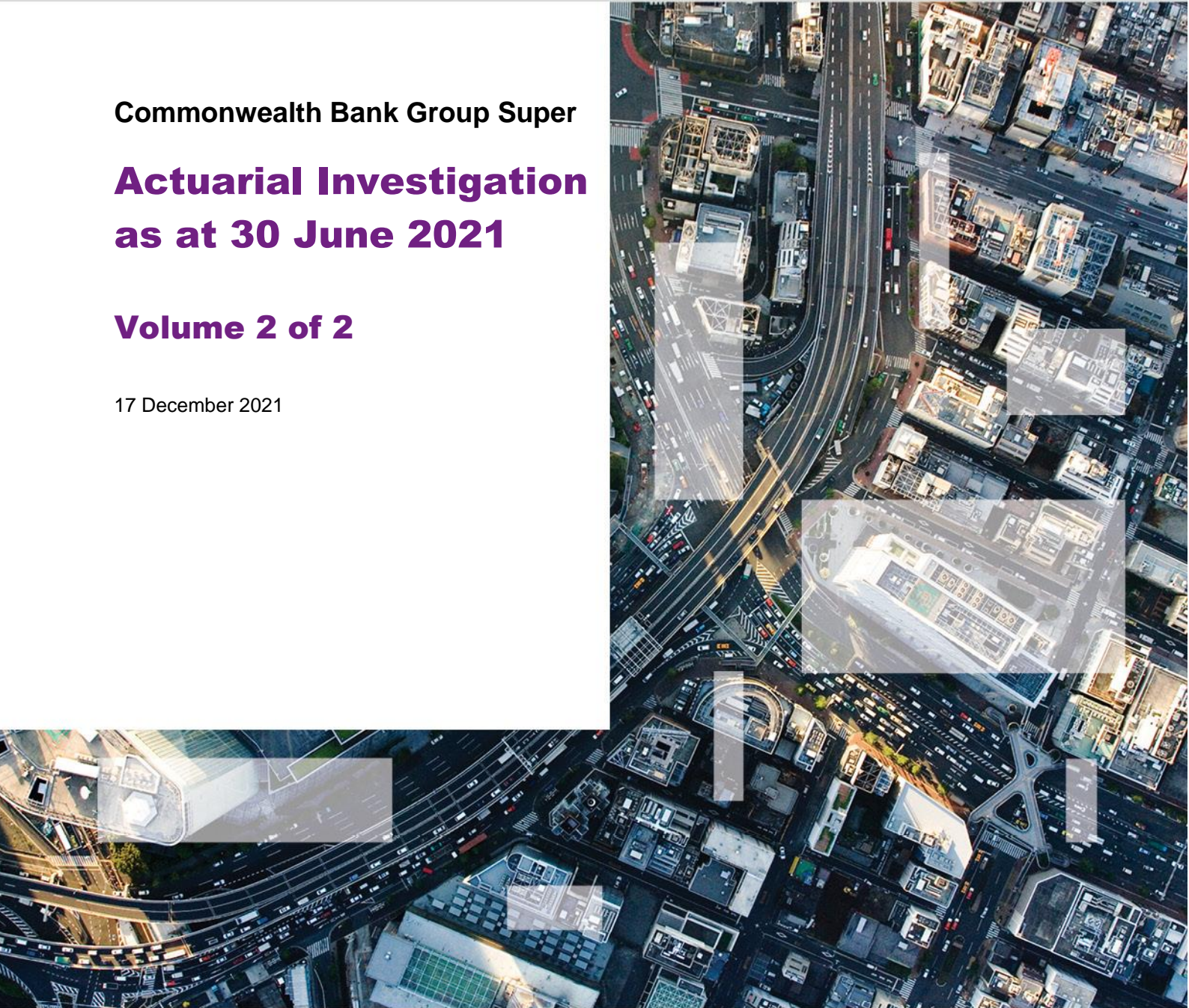


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Reliance statement and data

This report was prepared for the exclusive use of Commonwealth Bank Officers Superannuation Corporation Pty Ltd (the Trustee) and on the basis agreed with the Trustee under our agreement dated 15 May 2014 as novated on 6 March 2017 and the Scope of Work agreed for the investigation. It was not prepared for use by any other party and may not address their needs, concerns or objectives. This report is provided solely for the Trustee's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where we expressly agree in writing, this report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on this report or any advice relating to its contents.

The Trustee may make a copy of this report available to its auditors, the Bank and to any person to whom the Trustee may be required to provide a copy under relevant legislation, but we make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to the Trustee's auditors or the Bank in this regard. The Trustee should draw the provisions of this paragraph to the attention of its auditors and the Bank when passing this report to them.

In preparing this valuation, we have relied upon information and data provided to us orally and in writing by the Trustee and other persons or organisations designated by the Trustee. We have relied on all the data and information provided, including Fund provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency.

In our opinion, all calculations are in accordance with requirements of applicable legislative requirements, and the procedures followed and the results presented conform to applicable actuarial standards of practice.

The valuation results depend on the valuation assumptions we have adopted being borne out in the future. We refer you to Volume I where we examine the impact of variations in future experience and material risks.

SUMMARY OF BENEFITS AND CONDITIONS

The following sets out a summary of the defined benefits that have been valued in this investigation. Note the Trust Deed is the final authority for the benefits and this is only a summary for the purpose of this report.

1. Division B

Definitions

Contributions

Members contribute a minimum of 5% of salary. They may pay supplementary contributions, up to a further 5% of salary. The rate of supplementary contribution may be varied each year.

Some longer-serving members have purchased back-dated service, and are paying contributions as an additional percentage of salary in respect of this extra service.

Members have an account into which contributions of up to 3% of salary were paid between 1988 and 1990. This account accumulates with interest at the Fund credited rate. The balance of this account is called the Interim Benefit.

Pensions

Pensions are payable fortnightly.

Indexed pensions are increased during the first fortnightly period each July by the increase in the all groups consumer price index for the weighted average of the eight capital cities for the previous March quarter.

Pensions commencing during a financial year receive a pro-rata indexation in the first July following commencement.

All pensions are payable for life except for children's allowances, (which cease at age 16, or up to 25 while in full-time education) and pensions payable to invalid members which may cease prior to age 55 if the member is able to return to their duties.

Non-indexed Pensions

Members, or the spouses of deceased members, may elect to receive an additional pension which is not indexed. The same conditions of reversion to spouses and dependent children apply to these as for indexed pensions.

Pension Reversions to Spouses and Dependent Children

Upon the death of a member receiving a pension, a pension equal to 67% of the member's pension continues to be paid to a qualifying spouse. In addition to this, a further 11% of the member's pension is paid in respect of each dependent child aged under 16 (or up to 25 while in full-time education), subject to a maximum of an additional 33% of the member's pension.

Upon the death of a deferred member, a pension becomes immediately payable to the spouse, equal to 67% of the member's pension, with additional allowances for dependent children as set out in the preceding paragraph.

Benefits

Age Retirement Benefit

Members may retire from age 55 onwards. All members must retire by age 65.

The retirement benefit is an indexed pension of initial annual amount equal to:

- Final Salary x Schedule II Percentage x Schedule III Percentage, plus
- a lump sum equal to the member's Interim Benefit, plus
- a lump sum equal to the member's accumulated basic and supplementary contributions.

The lump sum of the member's accumulated contributions may be exchanged for a non-indexed pension, equal to that lump sum multiplied by the Schedule IV factor appropriate for the member's age.

Schedules II, III and IV are set out later.

Disablement Retirement Benefit

A member who retires totally and permanently incapacitated receives a benefit calculated as for the retirement benefit above, except that:

- if the member is aged less than 60 at time of retirement, then the Schedule II and Schedule III percentages which would have applied if the member had continued in service and then retired at age 60 are used, and
- the member may exchange the lump sum equal to the accumulated basic contributions for a non-indexed pension equal to 40% of the initial amount of indexed pension payable. Accumulated supplementary contributions must be taken as a lump sum.

Death in Service Benefit

If a member dies in service then the following are payable:

- a lump sum equal to the Interim Benefit,
- a lump sum equal to the member's accumulated basic and supplementary contributions, and
- if the member is survived by a spouse, a pension equal to 67% of the pension the member could have received if he/she had retired disabled instead of dying. This pension is supplemented by allowances for dependent children, as for the other reversionary pensions described above.

The member's accumulated basic contributions may be exchanged for a non-indexed pension equal to 40% of the initial amount of the spouse's pension where the member dies prior to age 60. Otherwise the retirement basis for calculating the non-indexed pension applies. Accumulated supplementary contributions must be taken as a lump sum.

Resignation Benefit

If the member has less than five years' membership then the benefit is a lump sum equal to the member's accumulated basic and supplementary contributions, and the Interim Benefit.

If the member has five or more years' membership then they have the option of either taking the above lump sum benefit, or of taking the Interim Benefit and leaving their own contributions to accumulate in the fund, and then also taking a deferred benefit at age 55. In that case, the benefit upon reaching age 55 will be:

- a lump sum equal to the member's accumulated basic and supplementary contributions, and
- an indexed pension, payable from age 55, equal to Final Salary x Schedule II Percentage x Schedule III Percentage

The final salary is indexed at the CPI rate each year between the date of resignation and age 55, subject to a maximum indexation of the compounded Declared Rate over the same period. The member is described as a "deferred member" during this period.

The Schedule II and III percentages are based on the member's actual period of membership when they ceased service and at age 55, respectively.

Retrenchment Benefit

If the member has less than five years' service then the benefit is the same as the Resignation Benefit.

If the member has five or more years' service then they have the option of either taking the deferred benefit (as described above for the Resignation Benefit), or of taking a lump sum equal to 3.5 times the member's contributions with interest (excluding supplementary contributions) plus the supplementary contributions and the Interim Benefit.

Other Benefits

Some old benefit members who joined on or prior to 29 June 1979 have special benefits or guarantees. These are not considered significant, so have not been allowed for in the valuation of liabilities for this investigation.

Superannuation Guarantee Minimum Benefits

A minimum of the benefit required to be provided under the Superannuation Guarantee (SG) legislation applies, less any amounts in respect of surcharge or a family law agreement. The SG minimum is rarely expected to apply, except when a resigning member elects the immediate lump sum or when a member dies without any spouse or children. For the purpose of the actuarial investigation all resigning members are assumed to take the deferred benefit instead of the immediate lump sum. Members who die in service are assumed to have a spouse to whom an indexed pension can be paid.

Surcharge

Surcharge payments plus interest are deducted from members' benefits. Indexed pensions are reduced by the accumulated surcharge account balance divided by the Schedule VII commutation factor.

Schedule II

Years of Assumed Membership	Percentage Factor to be used for Calculating Indexed Pension	Years of Assumed Membership	Percentage Factor to be used for Calculating Indexed Pension
50 or more	55.00	25	45.00
49	54.75	24	44.00
48	54.50	23	43.00
47	54.25	22	42.00
46	54.00	21	41.00
45	53.75	20	40.00
44	53.50	19	38.00
43	53.25	18	36.00
42	53.00	17	34.00
41	52.75	16	32.00
40	52.50	15	30.00
39	52.25	14	28.00
38	52.00	13	26.00
37	51.75	12	24.00
36	51.50	11	22.00
35	51.25	10	20.00

Years of Assumed Membership	Percentage Factor to be used for Calculating Indexed Pension	Years of Assumed Membership	Percentage Factor to be used for Calculating Indexed Pension
34	51.00	9	18.00
33	50.75	8	16.00
32	50.50	7	14.00
31	50.25	6	12.00
30	50.00	5	10.00
29	49.00	4	8.00
28	48.00	3	6.00
27	47.00	2	4.00
26	46.00	1	2.00

Percentages are interpolated pro-rata for completed months of Assumed Membership.

Schedule III

Member's Age Attained in Years on Becoming a Pensioner	Percentage Factor to be used for Calculating Indexed Pension
65 or greater	100
64	98
63	96
62	94
61	92
60	90
59	87
58	84
57	81
56	78
55	75

The percentage factor is reduced by 2 for each year that the member's age attained on becoming a pensioner is below 55, but cannot be less than 50%.

Percentages are interpolated pro-rata for completed months of Age.

Schedule IV

Member's Age Attained in Years on Becoming a Pensioner	Factor to be used for Calculating Additional Pension
65 or greater	0.1100
64	0.1080
63	0.1060
62	0.1040
61	0.1020
60	0.1000
59	0.0985
58	0.0970
57	0.0955
56	0.0940
55	0.0925
54	0.0910
53	0.0895
52	0.0880
51	0.0865
50	0.0850

The above factor is reduced by 0.0008 for each year that the member's age attained on becoming a pensioner is below 50.

Percentages are interpolated pro-rata for completed months of Age.

Schedule VII

Age in Years	Surcharge Commutation Factor
55	16.55
56	16.35
57	16.15
58	15.95
59	15.75
60	15.55
61	15.35
62	15.15
63	14.95
64	14.75
65	14.55

2. Division C

Types of Member

The earlier of three years' service and age 21 is described as the Accrual Date. Prior to this date a member cannot contribute, does not accrue benefits and is referred to as a Class A member. Class A members are subject to the Superannuation Guarantee minimum benefits (see below).

The earlier of seven years' service and age 25 is described as the Compulsory Contribution Date. Prior to this date a member is not required to contribute, and is described as a Class B member (provided they have passed their Accrual Date).

Members who have reached their maximum Accrued Multiple do not contribute. These are described as Class D members. The maximum Accrued Multiple is equal to the greater of:

- the Accrued Multiple determined as at the date of the Member's election to transfer to Division C from Division B, and
- 7.6 plus the Supplementary Multiple. (Supplementary Multiple is an amount calculated at 1 July 1990 in respect of supplementary contributions with interest to that date.)

For part-time employees, the maximum Accrued Multiple applies to their equivalent full-time FAS rather than their actual FAS.

There is also a class of members referred to as Basic Member that make no contributions and receives no accrual. Only current and former part-time employees can be Basic Members. Basic Members are subject to the SG minimum benefits.

Members other than those in the classes described above are Class C members. Members of classes A, B, C or D are also described as Full Members.

Definitions

Contributions

Basic Members do not contribute, and neither do Full Members while they are in Class A or D.

Class C members contribute a whole percentage of salary, between 2% and 10%. They may change this six months or more after their last member contribution rate change.

Class B members may contribute any whole percentage of salary between 0% and 10%.

Productivity Contributions equal to 3% of salary for all members are accumulated with interest at the Fund credited rate. No allowance for employer contribution tax is deducted from the members' accounts holding these contributions.

There is also a limit on the contributions which a Class B or C member can make during the first ten years of membership, however all members now have more than ten years of membership.

Accrued Multiple

Members of Classes B, C and D have an Accrued Multiple. This starts at zero when a member first enters Class B or C, or else was assigned a special initial value at 1 July 1990 for those who joined the Fund prior to that date and then transferred to Division C from Division B. Each year for Class B and C members the Accrued Multiple increases by an amount which depends on the member's contribution rate, as follows:

Member Contribution (% of Salary)	Benefit Accrual Rate (per annum)
0	0.100
1	0.118
2	0.136
3	0.154
4	0.172
5	0.190
6	0.208
7	0.226
8	0.244
9	0.262
10	0.280

For part-time employees, the rate of accrual is multiplied by the member's part-time ratio, where the member's part-time ratio is the number of hours they work per fortnight divided by 76 hours (the standard number of hours for a full-time member).

Accruals cease when the member reaches their maximum accrued multiple.

Final Average Salary (FAS)

The average salary paid to a member over the last three years. For part-time employees this is converted to an equivalent full-time figure.

Prescribed Salary

This is a minimum salary that applies in the determination of FAS for all benefits except resignation, retrenchment and the Minimum Requisite Benefit. It was \$80,256 pa at 1 July 2021, and is indexed in line with AWOTE at 1 July each year.

Corporation Transfer Value

An amount calculated at 1 July 1990 for members who joined the Fund prior to that date and who elected to transfer to Division C from Division B.

Minimum Benefit

A minimum benefit applies upon leaving the Fund for any reason. It is equal to the sum of a member's accumulated contributions and Productivity contributions with interest plus the Corporation Transfer Value without interest.

Basic Members' Benefits

Basic Members receive their accumulated Productivity contributions with interest (subject to the SG Minimum Requisite Benefit) upon leaving the Fund for any reason. The benefits for Full Members, i.e. members of Classes A to D are set out below.

Full Members' Benefits

Age Retirement Benefit

Upon retirement on or after the 55th birthday, a member is eligible to receive a lump sum equal to the greater of:

- the Minimum Benefit, and
- the Accrued Multiple times the greater of the member's FAS and the Prescribed Salary.

Between 50% and 100% of this lump sum may be converted to an indexed pension, by dividing the part to be converted to a pension by the conversion factor from the following table, according to the member's age at retirement.

Age in Years	Conversion Factor
Up to 55	15.5
55	15.5
56	15.2
57	14.9
58	14.6
59	14.3
60	14.0
61	13.7
62	13.4
63	13.1
64	12.8

Age in Years	Conversion Factor
65	12.5

This pension, as well as all other pensions paid from Division C, has essentially the same rules for indexing and reversion to spouses and dependent children's allowances as for pensions paid from Division B.

Disability Retirement Benefit

A member who retires totally and permanently incapacitated (TPI) after age 60 receives an Age Retirement Benefit as above.

A member retiring TPI before age 60 has a choice of:

- a lump sum equal to their Accrued Multiple times FAS, or
- a benefit based on the Accrued Multiple which would have applied if the member had continued in service to age 60 and then taken age retirement. The assumed future accrual rate for this purpose is the greater of 19% per annum and the average accrual rate for the member over the preceding three years. The benefit must be taken mostly in pension form, but there is available as a lump sum an amount up to a maximum of the member's accumulated contributions. The rest of the benefit is converted to an indexed pension by dividing the remaining amount by 14 (the pension conversion factor for age 60).

This second alternative is described as the Prospective Disablement Benefit.

The Prescribed Salary is applied in both of these alternatives.

Death in Service Benefit

Upon death in service, a benefit is payable equal to the member's Prospective Disablement Benefit which would have been payable had the member retired TPI instead of dying.

The benefit can be taken entirely as a lump sum, or it can be converted to a pension payable to the members' surviving spouse and/or dependants. As the conversion terms are not attractive, and tax laws continue to favour lump sums on death, the death in service pension option has been ignored for the valuation of the Fund's liabilities for this investigation.

Resignation Benefit

The basic benefit on resignation is equal to the member's accumulated contributions and Productivity contributions. In addition, an amount is payable equal to a vesting factor times the excess of the member's Accrued Multiple times FAS (no minimum salary applied) over the basic benefit. All members are fully vested.

If the member ceases employment in connection with a nominated Disposal of Business (as defined in the Trust Deed) then they have the option of either taking the above lump sum benefit, or of deferring their benefit to be taken as a lifetime pension once the member reaches pension eligibility age at 55. Between 50% and 100% of the member's benefit may be taken as a lifetime pension. The deferred benefit is indexed on 1 July each year by the change in Average Weekly Ordinary Time Earnings and is converted into a lifetime pension using the age-based Conversion Factors. The member is described as a "deferred member" during the period of deferral.

Retrenchment Benefit

The retrenchment benefit is the Accrued Multiple times FAS, with no adjustment for Prescribed Salary. 100% vesting is provided regardless of length of service.

Superannuation Guarantee Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

The MRB for a Division C Member is of the form:

- Final Average Salary x (Minimum Accrued Multiple for pre 1.7.92 Membership + 1.08 x Disc x Minimum Accrued Multiple for post 1.7.92 Membership)

PLUS

- notional employer contributions for the relevant periods from 1 July 2008 up to the Calculation Date of NECR times:
 - a. where the Member is not on leave without pay for the full pay period, the difference (if positive) between the Member's Ordinary Time Earnings and the Member's Superannuation Salary both calculated as referable to that period, or
 - b. where the Member is on leave without pay for the full pay period, the amount of the Member's Ordinary Time Earnings paid during that period,

less an appropriate allowance for tax, and accumulated with Compound Interest (in accordance with Rule C1.2 of the Trust Deed) from each relevant date of payment;

PLUS

- From 1 July 2008, if the Member is paid any bonuses within the definition of Ordinary Time Earnings after the Member has terminated employment (excluding deemed termination under Part A25 of the Trust Deed), a notional employer contribution of NECR times that amount of bonus paid, less an appropriate allowance for tax, and accumulated with Compound Interest from the date of payment of any bonuses

LESS

- The Member's Surcharge Aggregate

LESS

- Payments to or interests created for a non-Member spouse under an applicable Family Law agreement or Court order in respect of a Member or other allowable charges under the Family Law Act 1975 or its Regulations, accumulated with Compound Interest from the date of payment, and where such a reduction is permitted under the Family Law Act or its Regulations, and the Superannuation Industry (Supervision) Act 1993 and its Regulations.

Surcharge

Surcharge payments plus interest are deducted from members' benefits.

3. Division D

Definitions

Actual Membership

The member's service (including service with the SBV).

Qualifying Membership

The period from joining the Fund to the current date, in years and complete months (including membership of the SBV Fund). Within this, any period of time as a part-time member is adjusted by the ratio of the total actual number of hours worked during the period to the number of full-time hours that could have been worked during the period.

Prospective Qualifying Membership

The Qualifying Membership that the member would have if they continue in employment until age 60. Future working hours are assumed to be equal to current hours. Any period of time as a part-time member is adjusted by the ratio of the total actual number of hours worked to the number of full-time hours that could have been worked.

Salary

Periodical and regular remuneration, including allowances and payments of a recurring nature. It does not include overtime, annual leave loading or allowances.

The Bank can determine a higher salary.

Final Average Salary

One half of the members total Salary earned over the last two years. For part-time employees this is multiplied by the number of full-time hours over the last two years divided by the part-time hours over the last two years to give an equivalent full-time Final Average Salary.

Member Account

Members make contributions of 6% of salary to the Fund which are accumulated in a Member Account.

Normal Retirement Date

The member's 65th birthday.

Retirement

A member is eligible for a retirement benefit if they cease employment after age 55.

Benefits

Retirement Benefits

The Retirement Benefit is a pension indexed to CPI and payable for the life of the member, commencing with a value of:

$$A \times B \times C / D \times (1 - E \times (F-G))$$

Where:

A is Final Average Salary.

B is the following factor based on age.

Age Last Birthday		Factor
55	$0.7 \times 0.90 \times 0.95 =$	0.5985
56	$0.7 \times 0.90 \times 0.96 =$	0.6048
57	$0.7 \times 0.90 \times 0.97 =$	0.6111
58	$0.7 \times 0.90 \times 0.98 =$	0.6174
59	$0.7 \times 0.90 \times 0.99 =$	0.6237
60	$0.7 \times 0.90 \times 1.00 =$	0.6300
61	$0.7 \times 0.92 =$	0.6440
62	$0.7 \times 0.94 =$	0.6580
63	$0.7 \times 0.96 =$	0.6720
64	$0.7 \times 0.98 =$	0.6860
65 and over	$0.7 \times 1.00 =$	0.7000

C is the number of whole months of Qualifying Membership.

D is the number of months of Prospective Qualifying Membership. For members over 60 this is equal to Qualifying Membership.

E is 0.003333 for members who joined the Fund prior to 23 October 1969. For other members it is 0.002381.

F is 300 months for members who joined the Fund prior to 23 October 1969. For other members it is 420 months.

G is C, subject to a maximum of F.

Resignation Benefits - Less than 10 years Actual Membership

The Resignation Benefit for members with less than 10 years Actual Membership is a lump sum equal to:

$$A \times (1 + 0.1 \times B) + C$$

Where:

- A is the Member Account, including one third of member contributions while on leave without pay plus interest. Note, members on leave without pay may elect to pay 3 times standard contributions, so that their membership is unaffected by their period of leave without pay.
- B is Actual Membership to a maximum of 10 years.
- C is the following contributions with Interest:
- two thirds of members contributions while on leave without pay, plus
 - any contributions to purchase backdated service, plus
 - previous rollovers into the Fund.

Resignation Benefits – More than 10 years Actual Membership

If a member resigns with more than ten years Actual Membership they have the option of taking the benefit for resignation with less than 10 years Actual Membership or the benefit described below. This benefit may be left in the Fund until age 60, where it will be indexed with Commonwealth Bank salary increases for persons who hold equivalent classifications or positions as the member did when they ceased employment, or it can be transferred to another fund.

The deferred benefit is

$$A \times 0.63 \times B / C \times B / \text{Max}(35, C) \times \text{Commutation Factor}$$

Where:

- A is Final Average Salary.
- B is the number of whole months of Qualifying Membership.
- C is the number of months of Prospective Qualifying Membership.

Commutation Factor is a factor set by the Trustee.

Death in Service Benefit

The benefit for members who die whilst an employee and under age of 60 is the sum of:

- a pension, indexed with CPI, and payable to their spouse or dependent children of:
 $0.67 \times 0.63 \times A \times (1 - B \times (C-D))$; and
- a child allowance of \$4,781 (at 1 July 2015) indexed annually by CPI increases, for each child.

Where:

- A is Final Average Salary.
- B is 0.003333 for members who joined the SBV SSF prior to 23 October 1969. For other members it is 0.002381.
- C is 300 months for members who joined the SBV SSF prior to 23 October 1969. For other members it is 420 months.
- D is the period of Prospective Qualifying Membership, subject to a maximum of C.

The benefit for members who die whilst an employee and after age 60 is a pension payable to their spouse or dependent children equal 67% of the members Retirement Benefit pension.

Death after Retirement or TPI

The benefit for members who die after retirement or Total and Permanent Incapacity (TPI) and who are receiving a pension is a pension payable to their spouse or dependent children equal to 67% of their pension at the date of death.

Death Leaving No Dependants

The benefit for members who die leaving no dependants is the Member Account less any pension payments or commutations that have already been paid.

Disability Retirement Benefit

If a member becomes TPI prior to age 60 they are entitled to the sum of:

- a pension indexed with CPI increases of $0.63 \times A \times (1 - B \times (C-D))$; and
- a child allowance of \$4,781 (at 1 July 2015) indexed annually by CPI increases, for each child.

Where:

- A is Final Average Salary.
- B is 0.003333 for members who joined the SBV SSF prior to 23 October 1969. For other members it is 0.002381.

- C is 300 months for members who joined the SBV SSF prior to 23 October 1969. For other members it is 420 months.
- D is the period of Prospective Qualifying Membership, subject to a maximum of C.

After age 60 the member is entitled to their Retirement Benefit pension.

The disability benefit can be reduced or must be discontinued if the member returns to gainful employment or is no longer TPI.

Pensioners

Some former members are currently in receipt of a pension from the Fund. These pensions are indexed with CPI increases and have a spouse reversion of 67%. This reversion is also payable to orphaned children if the member was in receipt of a disability pension.

In addition the widows and orphans of some former members are in receipt of a pension indexed with CPI increases. The widow's pension will be paid to an orphan on the death of a widow if the reason for paying the pension was the members death or disability.

Children and orphans of some former members also receive a child allowance of \$4,781 (at 1 July 2015). This amount is indexed to CPI increases.

Commutation

All pension benefits can be commuted, except on disability the member's pension cannot be commuted until age 60. The commutation factor is determined by the Trustee.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

4. Division E

Definitions

Actual Membership

The member's service (including service in the SBV).

Qualifying Membership

The period from joining the Fund to the current date, in years and complete months (including membership of the SBV Fund). Within this, any period of time as a part-time member is adjusted by the ratio of the total actual number of hours worked during the period to the number of full-time hours that could have been worked during the period.

Salary

Periodical and regular remuneration, including allowances and payments of a recurring nature. It does not include overtime, annual leave loading or shift allowances. The Bank can determine a higher salary.

Final Average Salary (FAS)

One half of the members total Salary earned over the last two years. For part-time employees this is multiplied by the number of full-time hours over the last two years divided by the part-time hours over the last two years.

Final Salary

Salary at the date of ceasing employment.

Accrued Benefit Multiple

The Accrued Benefit Multiple is:

$$0.08 \times MP0 + 0.12 \times MP2 + 0.16 \times MP4 + 0.2 \times MP6 + 0.24 \times MP8$$

Where MP0, MP2, MP4, MP6, MP8 are the period of Qualifying Membership during which the member's contribution rate was deemed to be 0%, 2%, 4%, 6% or 8% respectively. Membership of Former Division B of the State Bank of Victoria Staff Superannuation Fund or purchase of backdated membership counts as 6% membership (i.e. MP6) in this Division.

Maximum Accrued Benefit Multiple

20% for each year of Qualifying Membership plus any fraction of an incomplete year.

Member Account

Members elect to make contributions of 0%, 2%, 4%, 6% or 8% of salary to the Fund. Members are only allowed to contribute 8% of salary to the Fund if they are aged 40 or more and the member's Accrued Benefit Multiple will be at least 4% less than the member's Maximum Accrued Benefit Multiple at the next contribution review date (which is generally the anniversary of joining the Fund). These contributions are credited to the Member Account, which accumulates with interest at the Declared Rate.

Member Financed Benefit

The Member Financed Benefit is:

$$\text{Final Salary} \times (0.00 \times \text{MP0} + 0.02 \times \text{MP2} + 0.04 \times \text{MP4} + 0.06 \times \text{MP6} + 0.08 \times \text{MP8})$$

MP0, MP2, MP4, MP6, MP8 are the period of Qualifying Membership during which the members contribution rate was deemed to be 0%, 2%, 4%, 6% or 8% respectively.

Accrued Retirement Benefit

The member's Accrued Benefit Multiple multiplied by their Final Average Salary.

Early Retirement

A member is eligible for an early retirement benefit if they cease employment after age 55 but prior to their Normal Retirement Date.

Normal Retirement Date

65th birthday.

Benefits

Retirement Benefits

The Retirement Benefit is a lump sum equal to the member's Accrued Retirement Benefit. This benefit is subject to a maximum of eight times FAS.

Resignation Benefits

The Resignation Benefit for members is a lump sum equal to the greater of:

i. $[(A - B) \times 1/15 \times C] + B + D$

and

ii. $(0.03 \times E \times F) + B + D$

Where:

A is the Accrued Retirement Benefit not including any backdated membership.

B is the Member Financed Benefit.

C is Actual Membership, in complete years, subject to a maximum of 15 years.

D is the amount of backdated contributions with interest.

E is the period of Actual Membership, in years and fractions of a year, since 1 December 1987.

F is the member's FAS.

If the Bank Financed Benefit (i.e. the excess of the Accrued Retirement Benefit over the Member Financed Benefit and backdated contributions with interest) is left in the Fund it is indexed in line with AWOTE.

If the member elects to transfer this benefit out of the Fund it is subject to a simple discount of 2% for each year prior to age 55, subject to a maximum of 25 years.

Former Division B of the SBV Fund members have the option to receive the Resignation benefit they would have been entitled to in Division B of the SBV Fund. This is the same as the Division D Resignation Benefit - Less than 10 years Actual Membership described above. All members who are eligible for this guarantee can be identified because their actual membership commences on or before 1 July 1990.

Death in Service Benefit

The benefit for members who die an employee and under age 55 is:

A lump sum equal to the sum of:

- $A + B \times C / D \times (0.08 \times f_0 + 0.12 \times f_2 + 0.16 \times f_4 + 0.20 \times f_6 + 0.24 \times f_8)$, and
- a child allowance of \$4,781 (at 1 July 2015) indexed annually at CPI, for each child

Where:

- A is the Accrued Retirement Benefit at the date of death.
- B is the Final Average Salary.
- C is membership between the date of death and the members 55th birthday, in years and fractions of a year.
- D is the sum of f0, f2, f4, f6 and f8.

f0, f2, f4, f6 and f8 is the period during the last two years of Qualifying Membership (or the total period of Qualifying Membership if less) that the member contributed at 0%, 2%, 4%, 6% and 8% respectively.

The future service component of the death benefit as a multiple of Final Average Salary, for future membership, must be less than 20% times future membership.

The benefit on death after age 55 is the member's Accrued Retirement Benefit.

The death benefit is subject to a maximum of eight times Final Average Salary.

Disability Retirement Benefit

If a member becomes disabled prior to age 55 they are entitled to a pension equal to 1/11th of the Death Benefit calculated as if they had died at their date of disablement. This pension is increased with AWOTE, and payable for life.

In addition a child allowance of \$4,781 (at 1 July 2015) indexed annually at CPI, for each child, will be paid.

Death during Disability Retirement

The benefit for a member who dies whilst in receipt of a Disability Retirement Benefit is the lump sum payment that the member would have received if they had died at their date of ceasing employment due to disability. This amount is increased by AWOTE from that date and reduced by the amount of pension payments since the date of disability.

Commutation

The member may elect to commute the disability pension three years after commencement. The disability pension may be commuted earlier at the Trustee's discretion. The commuted value is the equal to the lump sum death benefit at the date they ceased employment indexed with AWOTE, less any pension payments that have already been made.

Deferred Lump Sum Benefit

Former members of the plan who elect to retain their Bank Financed Benefit in the Fund have this benefit indexed with AWOTE.

Widows' Allowances

An annual allowance of \$2,050, not subject to indexation, is payable for life to the widows of deceased former employees of the State Bank of Victoria who died after 1 July 1947 and before 23 April 1959.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Surcharge payments plus interest are deducted from members' benefits.

5. Division CB – Part 1 and Division CC

Definitions

Accrued Benefit Points

In relation to a member at the member's exit date, is the lesser of:

- The Maximum Benefit Points for the member; and
- The sum of the member's Contributed Rates.

Adjusted Length of Membership Period

For members whose Salary Ratio remains constant throughout their Membership Period, the length of the member's Membership Period times their Salary Ratio.

For members whose Salary Ratio did not remain constant throughout their Membership Period, the Adjusted Length of Membership Period is the sum of the Periods of time where the member's Salary Ratio remained unchanged multiplied by the Salary Ratio over the relevant Period. (I.e. total Membership Period weighted by Salary Ratio).

Attributed Salary

In relation to a full-time member is the Salary of the member at that time or, if the member is a part-time employee, the Salary that would be payable to the member at that time if employed as a full-time employee (I.e. the full-time equivalent Salary).

Average Salary Ratio

Is defined at the member's exit date as the Adjusted Length of Membership Period divided by the member's Membership Period.

Benefit Date

Is defined as the date at which the member's membership of the fund commenced.

Contributed Rate

Is the amount in relation to each period of membership (during which the member's Salary Ratio and elected contribution rate were maintained) occurring after the member's Benefit Date but prior to the member's 60th birthday for Division B – Part 1 and Division C members calculated by the formula:

$K \times R \times P$

Where:

- K = The member's elected contribution rate;
- R = The member's Salary Ratio at the commencement of the Period; and
- P = The length of the Period.

Contributions

Members must contribute at the rate of 1, 2, 3, 4, 5, 6, 7, 8 or 9% of Salary until they cease to be an employee or until they attain the age of 60 years if earlier for Division B – Part 1 and Division C members. If a member does not nominate a contribution rate, they are deemed to contribute at a rate of 1% of Salary.

Employer's Component

Is equal to the amount calculated according to the formula:

$$S \times A \times M \times (1 - B/C \times 0.15)$$

Where:

- S = The Final Salary of the member for Division B – Part 1 and Division C;
- A = Accrued Benefit Points for the member at the member's exit date;
- M = 0.03 for members of Division B – Part 1 and 0.025 for members of Division C;
- B = The period beginning on the Taxable Date or the member's Benefit Date (whichever occurred last) and ending on the member's exit date; and
- C = The member's Membership Period.

Final Salary

For Division B – Part 1 and Division C members is defined as the annual average of the member's Attributed Salary over the three years (or lesser Period if less than three years) prior to the member's exit date.

Maximum Benefit Points

In relation to a Division B – Part 1 members at the member's exit date, means:

Where the member's exit date is on or before his or her 55th birthday, the lesser of:

- 150 multiplied by the member's Average Salary Ratio; or
- 6 times the member's Adjusted Length of Membership Period.

Where the member has attained the age of 55 at the exit date but is less than 60 years of age, the sum of:

- The Maximum Benefit Points attained assuming the member was aged 55; and
- 6 times the member's Adjusted Length of Membership since age 55.

Where the Member is 60 years of age or older at the date of exit, the lesser of:

- 180 multiplied by the member's Average Salary Ratio; and
- The sum of:
 - The Maximum Benefit Points attained assuming the member was aged 55; and
 - 6 times the member's Adjusted Length of Membership from age 55 to age 60.

In relation to a Division C member at the member's exit date, the lesser of:

- 180 multiplied by the member's Average Salary Ratio; and
- 6 times the member's Adjusted Length of Membership Period.

Member's Component

The balance at credit of the member's Contributor's Account at the date of payment of the benefit.

Membership Period

Is defined as the period of membership from the member's Benefit Date to the member's date of exit, disregarding any Period during which the member provided for Preservation of a benefit.

Prospective Benefit Points

Is defined as the Accrued Benefit Points the member would accrue in future from the member's exit date assuming they remained in employment from their exit date until their 60th birthday, contributed at the rate of 6% of Salary and maintained a Salary Ratio at the same level as when they exited. We understand that the Prospective Benefit Points are not currently subject to the maximum applied to Accrued Benefit Points.

Salary

Is the annual rate of remuneration of the employee.

Salary Ratio

Is the member's Salary divided by the member's Attributed Salary.

Supplementary Benefit

Is the amount calculated as follows:

$$S \times P \times 0.04$$

Where:

S = The member's Final Salary; and

P = The member's Prospective Benefit Points at the date of exit.

Taxable Date

1 July 1988.

Benefits

Age Retirement Benefit

Members may retire from age 55 onwards.

The retirement benefit is equal to the sum of:

The amount of the Member's Component; and

The amount of the Employer's Component.

Benefit on Resignation

If the member has ten or more years Membership Period and is aged under 55 (and no other benefit is payable) the benefit is the sum of:

The amount of the Member's Component; and

The amount calculated as follows:

$$V \times T \times (A/Y) \times 0.025 \times (1 - U/V \times 0.15)$$

Where:

- V = The length of member's Membership Period;
- U = The period beginning on the Taxable Date or the member's Benefit Date (whichever occurred last) and ending on the member's exit date;
- T = The amount of the Member's Component;
- A = The member's Accrued Benefit Points at the member's exit date; and
- Y = The sum of all of the Contributed Rates for the member's total Membership Period.

If the member's Membership Period is less than ten years, the benefit is the amount of the Member's Component.

The member's benefit on resignation is subject to a minimum of the Preserved Benefit.

Death in Service Benefit

If a member dies in service the benefit is equal to the sum of:

- The amount of the Member's Component; and
- The amount calculated as follows:

$$S \times A \times M$$

Where:

- S = For members of Division B – Part 1, the member's Final Salary;
- A = The member's Accrued Benefit Points at the date of death; and
- M = 0.03 for Division B – Part 1 and 0.025 for Division C members; and

If the member dies before age 60, where eligible the amount of the Supplementary Benefit (substituting the member's Salary Ratio with the member's Average Salary Ratio).

Total and Permanent Disablement Before Age 60

If a member becomes Totally and Permanently Disabled before age 60 and is eligible for the Supplementary Benefit, the benefit is equal to the sum of:

- The amount of the Member's Component;
- For members of Division B – Part 1 and Division C, the amount of the Employer's Component; and
- The amount of the Supplementary Benefit (substituting the member's Salary Ratio with the member's Average Salary Ratio).

Partial and Permanent Disablement Before age 55

If a member becomes Partially or Permanently Disabled before age 55, the benefit is equal to the sum of:

- The amount of the Member's Component; and
- The amount of the Employer's Component.

Preserved Benefit

A member may elect to take a Preserved Benefit instead of their other benefit entitlements if:

- They are entitled to a Resignation, Dismissal or Discharge Before Age 55 benefit after at least 3 years of becoming a member of the fund, and, if the member's entry date into the fund precedes 14 May 1990, the amount of the Preserved Benefit is at least \$500; or
- They are a member of Division B – Part 1 and are entitled to a Retrenchment Before Age 55 benefit.

The Preserved Benefit is payable on the earlier of the member's death or the member becoming Totally and Permanently Disabled or the member reaching age 55 and is equal to the sum of:

- The amount of the Member's Component at the date of leaving employment; and
- The amount of the Employer's Component multiplied by a factor Z where:

$$Z = Y^{(55 - \text{age of member at date of exit})}$$

Where Y = 0.98 for members of Division B – Part 1 and Division C and 0.99
for members of Division B – Part 2

The total of which is subject to a minimum of the Resignation, Dismissal or Discharge Before Age 55 Benefit, as applicable, that would have been payable at the date of exit; together with interest from the date of leaving employment to the date of payment.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Tax payments (including Surcharge payments) are deducted from the members benefit by the Trustee and are paid to the relevant authorities.

6. Division CD

Definitions

Adjusted Length of Membership Period

For members whose Salary Ratio remains constant throughout their Membership Period, the length of the member's Membership Period times their Salary Ratio.

For members whose Salary Ratio did not remain constant throughout their Membership Period, the Adjusted Length of Membership Period is the sum of the Periods of time where the member's Salary Ratio remained unchanged multiplied by the Salary Ratio over the relevant Period. (ie. total Membership Period weighted by Salary Ratio).

Attributed Salary

In relation to a full-time member is the Salary of the member at that time, or if the member is a part-time employee, the Salary that would be payable to the member at that time if employed as a full-time employee (ie. the full-time equivalent Salary).

Basic Benefit

Is calculated according to the formula:

$$0.03 \times F \times Y \times (1 - B/C \times 0.15)$$

Where:

- F = (a) In the case of the member's resignation, retirement or the member's death on or after age 55, the member's Final Salary; or
(b) In any other case, the member's Exit Salary.
- Y = The member's Adjusted Length of Membership Period;
- B = The period beginning on the Taxable Date or the member's Benefit Date (whichever occurred last) and ending on the member's exit date; and
- C = the member's Membership Period.

Benefit Date

Is defined as the date at which the member's membership of the fund commenced.

Exit Salary

Is defined as the member's Attributed Salary on the member's date of exit.

Final Salary

Is defined as the annual average of the member's Attributed Salary over the three years (or lesser Period if less than three years) prior to the member's exit date.

Membership Period

Is defined as the Period of membership from the later of 1 April 1988 and the member's Benefit Date to the member's date of exit.

Salary

Is defined as the annual remuneration, salary or wages payable in money to the member.

Salary Ratio

Is the member's Salary divided by the member's Attributed Salary.

Taxable Date

1 July 1988

Benefits***Age Retirement Benefit***

Members may retire from age 55 onwards.

The Retirement Benefit is equal to the Basic Benefit.

Resignation Benefit

The Resignation Benefit is equal to the Basic Benefit.

Death in Service Benefit

The Death in Service Benefit is equal to the sum of:

- The Basic Benefit excluding the $(1 - B/C \times 0.15)$ factor in the formula; and
- $0.21 \times F \times B$ (for members who only belong to Division CD)

Where:

F = The member's Final Salary; and

B = The Period from the member's exit date to the date the member would have turned 60 years of age..

Total and Permanent Disablement Benefit

The Total and Permanent Disablement Benefit is equal to the sum of:

The Basic Benefit; and

$0.21 \times F \times B$ (for members who only belong to Division CD)

Where:

F = The member's Final Salary; and

B = The Period from the member's exit date to the date the member would have turned 60 years of age.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Tax payments (including Surcharge payments) are deducted from the members benefit by the Trustee and are paid to the relevant authorities.

7. Division CE

Definitions

Accrued Benefit Points

In relation to a member at the member's exit date, is the lesser of:

- The Maximum Benefit Points for the member; and
- The sum of the member's Contributed Rates.

Adjusted Length of Membership Period

For members whose Salary Ratio remains constant throughout their Membership Period, the length of the member's Membership Period times their Salary Ratio.

For members whose Salary Ratio did not remain constant throughout their Membership Period, the Adjusted Length of Membership Period is the sum of the Periods of time where the member's Salary Ratio remained unchanged multiplied by the Salary Ratio over the relevant Period. (ie. total Membership Period weighted by Salary Ratio).

Attributed Salary

In relation to a full-time member is the Salary of the member at that time or, if the member is a part-time employee, the Salary that would be payable to the member at that time if employed as a full-time employee (ie the full-time equivalent Salary).

Average Salary Ratio

Is defined at the member's exit date as the Adjusted Length of Membership Period divided by the member's Membership Period.

Benefit Date

Is defined as the date at which the member's membership of the fund commenced.

Contributed Rate

Is the amount in relation to each period of membership (during which the member's Salary Ratio and elected contribution rate were maintained) occurring after the member's Benefit Date but prior to the member's 65th birthday calculated by the formula:

$K \times R \times P$

Where:

K = The member's elected contribution rate;

R = The member's Salary Ratio at the commencement of the Period; and

P = The length of the Period.

Contributions

Members must contribute at the rate of 1, 2, 3, 4, 5, 6, 7, 8 or 9% of Salary until they cease to be an employee or until they attain the age of 65 years if earlier. If a member does not nominate a contribution rate, they are deemed to contribute at a rate of 1% of Salary.

Employer's Component

Is equal to the amount calculated according to the formula:

$$S \times A \times 0.02 \times 0.85$$

Where:

S = The Final Salary of the member;

A = Accrued Benefit Points for the member at the member's exit date;

Final Salary

Is defined as the annual average of the member's Attributed Salary over the three years (or lesser Period if less than three years) prior to the member's exit date.

Maximum Benefit Points

In relation to a member at the member's exit date, means 6 times the member's Adjusted Length of Membership Period.

Member's Component

The balance at credit of the member's Contributor's Account at the date of payment of the benefit.

Membership Period

Is defined as the Period of membership from the member's Benefit Date to the member's date of exit, disregarding any Period during which the member provided for Preservation of a benefit.

Prospective Benefit Points

Is defined as the Accrued Benefit Points the member would accrue in future from the member's exit date assuming they remained in employment from their exit date until their 60th birthday, contributed at the rate of 6% of Salary and maintained a Salary Ratio at the same level as when they exited.

Salary

Is the annual rate of remuneration of the employee.

Salary Ratio

Is the member's Salary divided by the member's Attributed Salary.

Supplementary Benefit

Is the amount calculated as follows:

$$S \times P \times 0.035$$

Where:

S = The member's Final Salary; and

P = The member's Prospective Benefit Points at the date of exit.

Taxable Date

1 July 1988

Benefits

Age Retirement Benefit

Members may retire from age 55 onwards.

The retirement benefit is equal to the sum of:

- The amount of the Member's Component; and
- The amount of the Employer's Component.

Benefit on Resignation

If the member has ten or more years Membership Period (and no other benefit is payable) the benefit is the sum of the amount of the Member's Component; and the amount calculated as follows:

$$V \times T \times (A/Y) \times 0.025 \times 0.85$$

Where:

- V = The length of the member's Membership Period;
- T = The amount of the Member's Component;
- A = The member's Accrued Benefit Points at the member's exit date; and
- Y = The sum of all of the Contributed Rates for the member's total Membership Period.

If the member's Membership Period is less than ten years, the benefit is the amount of the Member's Component.

The member's benefit on resignation is subject to a minimum of the Preserved Benefit.

Death in Service Benefit

If a member dies in service the benefit is equal to the sum of:

- The amount of the Member's Component;
- The amount calculated as follows:

$$S \times A \times 0.02$$

Where:

- S = The member's Final Salary;
- A = The member's Accrued Benefit Points at the date of death; and

If the member dies before age 60, where eligible the amount of the Supplementary Benefit (substituting the member's Salary Ratio with the member's Average Salary Ratio).

Total and Permanent Disablement Before Age 60

If a member becomes Totally and Permanently Disabled before age 60 and is eligible for the Supplementary Benefit, the benefit is equal to the sum of:

- The amount of the Member's Component;
- The amount of the Employer's Component; and
- The amount of the Supplementary Benefit (substituting the member's Salary Ratio with the member's Average Salary Ratio).

Partial and Permanent Disablement Before age 55

If a member becomes Partially or Permanently Disabled before age 55, the benefit is equal to the sum of the amount of the Member's Component; and the amount of the Employer's Component.

Preserved Benefit

A member may elect to take a Preserved Benefit instead of either their Resignation, Dismissal or Discharge Before Age 55 Benefit or their Retrenchment Before Age 55 Benefit.

The Preserved Benefit is payable on the earlier of the member's death or the member becoming TPD or the member reaching age 55 and is equal to the sum of:

- The amount of the Member's Component at the date of leaving employment;
- The amount of the Employer's Component at the date of leaving employment;
- the total of which is subject to a minimum of the Resignation, Dismissal or Discharge Before Age 55 Benefit or the Retrenchment Before Age 55 Benefit, as applicable, that would have been payable at the date of exit; and
- together with interest from the date of leaving employment to the date of payment.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Tax payments (including Surcharge payments) are deducted from the members benefit by the Trustee and are paid to the relevant authorities.

8. Division CF

Note these are the Benefits applying under the NSW State Superannuation Fund under the Superannuation Act 1916 NO. 28.

Definitions

Normal Retirement Age

Is age 60, except that there are females who have elected to have a normal retirement age of 55.

Salary

Salary means cash salary including shift loadings, other allowances that are included in the determination of annual leave payments on termination of employment, workers' compensation payments that, together with any salary being paid, are within the member's normal earning level, the cost of approved employment benefits as determined by the Minister.

Overtime and bonus payments, shift allowances that are not loadings, relieving allowances paid for less than a year, expense and travelling allowances, equipment allowances and accommodation allowances are excluded.

Completed Unit

Means a paid up unit (for someone who has worked part-time at some stage) or a unit for which the member has ceased contributing by virtue of reaching the normal retirement age or a unit for which the member commenced contributing within 5 years of the normal retirement age and in respect of which contributions have been made over 65 contribution periods.

Paid Up Unit

Means a unit for which the member is allocated pension entitlements with no more contributions being required. Such units are allocated to members whose employment status changes.

Service

Employment with a participating employer.

Contribution periods

Contributions are made with respect to 13 four-weekly periods as follows:

Period Number	Commencing Date	Terminating Date
1	1 July	28 July
2	29 July	25 August
3	26 August	22 September
4	23 September	20 October
5	21 October	17 November
6	18 November	15 December
7	16 December	12 January
8	13 January	9 February
9	10 February	9 March
10	10 March	6 April
11	7 April	4 May
12	5 May	1 June
13	2 June	30 June

Annual review date

The date currently used is 1 April (as specified in the Division CF member booklet).

Contributions

Contributions must be made for the number of units applying to the salary on the last review date.

The maximum number of units a contributor shall contribute for depends on salary at the last review date:

$$\text{units (N)} = \text{salary}/260 + (9 \times \text{latest CPI}/\text{June 82 CPI})$$

Optional and Abandoned units

If the contribution amount for the unit entitlement calculated at a review date exceeds 6% of the review date salary, the number of units being contributed to can be reduced to the highest whole number of units that doesn't cause contributions to exceed 6% of salary. Otherwise the contributor must contribute for the full number of units calculated by the formula.

If there are any new units at a review date which the member doesn't have to contribute for because of this 6% rule, these units are called "optional units". If the member chooses not to contribute for these optional units, they become "abandoned units".

The member can only elect to abandon any optional units within 2 months of the review date when they first became available to the member.

Compulsory taking up of abandoned units

For a member with abandoned units, if the actual contributions paid by a member fall below 6% of salary at a review date before adding any new units to which the member becomes entitled at that review date then the member must commence contributing for:

- firstly, any new units at that review date (subject to a maximum of the number of new units required to bring the total contributions up to 6% of salary);
- secondly, the abandoned units (subject to a maximum of the number of units required to bring the total contributions up to 6% of salary).

Once the member starts contributing for abandoned units under these circumstances they are counted as full units immediately for benefit purposes.

Optional taking up of abandoned units

A member can elect within 2 months of an annual review day to commence making contributions for any abandoned units the member had at that review day. The contributions commence from the member's next annual adjustment day.

The abandoned units can only be taken up to the extent that the total units the member is contributing for are within the formula number of units at the review date (N).

Amount of contributions

The amount to be contributed for each unit is determined using the tables under the Act (see below) based on the member's sex, age at time of commencement of contributions (including contributions commenced at the exit date) and for a female member whether she contributes towards a normal retirement benefit at age 55 or 60.

Age Next Birthday	Male \$	Female \$
26	0.68	0.62
27	0.72	0.64
28	0.76	0.68
29	0.80	0.72
30	0.86	0.76
31	0.90	0.80
32	0.94	0.84
33	1.00	0.90
34	1.06	0.94

Age Next Birthday	Male \$	Female \$
35	1.10	1.00
36	1.16	1.06
37	1.24	1.14
38	1.30	1.20
39	1.40	1.28
40	1.50	1.38
41	1.60	1.46
42	1.70	1.58
43	1.84	1.70
44	1.98	1.84
45	2.12	2.00
46	2.32	2.18
47	2.52	2.38
48	2.76	2.62
49	3.06	2.90
50	3.40	3.22
51	3.84	3.64
52	4.38	4.16
53	5.06	4.82
54	5.98	5.70
55	7.26	6.92
56 – 60	Minimum instalment rate is \$7.58. Full cost is \$493.28 spread over 5 years	Minimum instalment rate is \$7.22. Full cost is \$468.80 spread over 5 years

Benefits

Retirement Benefit at or after Normal Retirement Age

The benefit is a pension of \$5.50 per fortnight for each unit for which the member was contributing at the date of retirement (including units taken up at exit) and \$5.50 per fortnight for each completed unit at the date of retirement, plus a pension of \$3.30 per fortnight for each abandoned unit the member had at the date of retirement.

The amount is reduced by the approximate cost of tax on the employer contributions. The reduced pension is:

$$IP - (IP-AC/CF) \times S2/ST \times 15\%$$

Where:

- IP = pension of \$5.50 x unit entitlement at date of exit + \$3.30 x abandoned units at date of exit;
- AC = member's contributions with interest;
- CF = capitalisation factor as determined by the Trustee and calculated at the member's exact age at retirement by interpolating in days;
- S2 = member's days of membership completed after 30 June 1988; and
- ST = member's total days of membership

Note S2 and ST both exclude periods when an invalidity pension was payable.

Early Retirement

The benefit is a fortnightly pension calculated as the sum of the employee-financed component and the employer-financed component.

The benefit is payable on retirement at or after age 55 with ten years' continuous membership - this means females contributing towards retirement at 55 don't have an early retirement option.

The employee-financed component is calculated as:

$$P1 = 2.20 \times EPU \times (1 - 0.07 \times TM)$$

Where:

- EPU = the number of paid up units the member would have been entitled to at the date of early retirement had the member commenced part-time employment on that date calculated using the following formula:

$$UH_n - C_n / R_n \text{ (except where } C_n / R_n \text{ exceeds } UH_n)$$

Plus

TCB / RB plus

UC

Where:

UH_n is the number of units of pension for which contributions were payable by the contributor on the contributor's exit day in accordance with the tables of contributions fixed y or under this Act, but excluding:

- any units of pension which are excess units of pension as a result of a decrease in the member's salary and in respect of which no person has any rights in the Fund; and
- any such units of pension, being reserve units, for which contributions were being made.

Cn is the amount of contributions due for the last contribution period for which contributions were payable by the contributor before the contributor's exit day, in respect of that number of units of pension.

Rn is the amount which, if the contributor were required to commence to contribute for an additional unit of pension on the contributor's exit day, would be the amount payable in accordance with the tables of contributions fixed for that unit for a contribution period.

TCB is the total amount paid in respect of instalments payable by the contributor on or before the contributor's exit day for units of pension for which the contributor contributed (but deducting therefrom any part of that amount allocated under the Act to the purchase of fully paid up units).

RB is the cost of a unit of pension in relation to the contributor; and

UC is the number of units (if any) purchased by the contributor and credited to the contributor as fully paid up units.

TM = the period in years and days between commencement of the early retirement pension and the member's 60th birthday.

The employer-financed component is calculated as:

$$P2 = 3.30 \times UE \times S / (S + TM) \times (1 - 0.04 \times TM)$$

Where:

UE = the member's unit entitlement at the exit day, including any unit to which the Board considers he continued to be entitled despite his salary being reduced - note no pension is payable in respect of abandoned units

S = the member's completed membership in years and days; and

TM = the period in years and days between commencement of the early retirement pension and the member's 60th birthday.

The total pension amount (P1 + P2) is reduced by the approximate cost of tax on the employer contributions. The reduced pension is:

$$P1 + P2 - (P1 + P2 - AC/CF) \times S2/ST \times 15\%$$

Where:

AC = member's contributions with interest;

CF = capitalisation factor as determined by the Trustee and calculated at the member's exact age at retirement by interpolating in days;

S2 = member's days of membership completed after 30 June 1988; and

ST = member's total days of membership.

There is a minimum early retirement benefit. The minimum benefit is a pension plus a lump sum.

The pension component of the minimum is a fortnightly pension equal to

$$V \times U + VR \times UR$$

Where:

V = the value of a unit based on the member's age last birthday as follows:

Age	Value
55	\$3.27
56	\$3.55
57	\$3.91
58	\$4.35
59	\$4.88

with interpolation based on the member's actual age at retirement in days, using 364 days in a year

U = the number of units for which the member has contributed for at least 2 years and 6 months at the date of retirement;

VR = the value of an abandoned unit, calculated as:

$$\$3.30 \times V / \$5.50$$

UR = the total number of abandoned units.

Note no pension is payable for units for which the member has contributed for less than 2 years and 6 months at retirement.

The total minimum benefit pension amount P is reduced by the approximate cost of tax on the employer contributions. The reduced pension is:

$$P - (P - AC/CF) \times S2/ST \times 15\%$$

Where:

P = the pension calculated as described above;

AC = member's contributions with interest;

- CF = capitalisation factor as determined by the Trustee and calculated at the member's exact age at retirement by interpolating in days;
- S2 = member's days of membership completed after 30 June 1988; and
- ST = member's total days of membership.

The lump sum component of the minimum benefit is determined as a refund of contributions paid towards units which don't count for the above pension, i.e. for which the member has been contributing for less than 2 years.

The benefit payable is the benefit which gives rise to the greatest commuted value at the date of retirement.

Invalidity (Breakdown) Pensions

The pension is calculated as for normal retirement.

The pension is payable while the member is disabled for life. The Board reassesses the member's disablement periodically (at least every 5 years) until the normal retirement age is reached.

A member receiving an invalidity pension is treated as if on leave without pay, except that he is not required to contribute to the Fund.

Death in Service

A pension is payable to the spouse of the member, if any, of 2/3 of the pension that would have been payable to the member on invalidity retirement (or age retirement where the member had reached the normal retirement age) at the date of death.

Where the member has no spouse at the date of death, and if the member has no children to whom a pension is payable (see below) then the death in service benefit is equal to 4 times Salary.

Payment of Pensions

Pension is payable for life in fortnightly instalments.

On the death of a former member who is receiving a pension, a reversionary pension is payable to the spouse of 2/3 of the original pension.

Spouse means:

- the widow or widower, as the case may be, of the contributor; or
- if the contributor was a man, and at the time of his death, he was living with a woman as her husband on a bona fide domestic basis – the woman with whom he was so living; or

- if the contributor was a woman and, at the time of her death, she was living with a man as his wife on a bona fide domestic basis – the man with whom she was so living.

We understand that 'bona fide domestic basis' is not defined. If the ex-member is receiving an invalidity pension then, in accordance with section 47 of the Act, the spouse must have been the member's spouse when the pension was first payable or else must have been the member's spouse before the member reached the normal retirement age and for at least 3 years before the member's death.

Indexation of Pensions

Pensions are indexed annually from the first pension payment each October, in line with the annual increase in the Sydney CPI to the previous June quarter.

Children's and Student's Pensions

A pension is payable on the death of a member or pensioner for each "eligible child". An eligible child is:

- the member's child (including adopted children); or
- the member's spouse's child, including the child of a member's ex-spouse (other than a child born or adopted after the divorce) and the child of a member's deceased spouse (including adopted children). Spouse includes de facto spouse.

Children's pensions are payable until age 18 or age 25 if in full-time education at an institution approved by the Board.

If a spouse's pension ceases due to the spouse's death and there are still eligible children, the children's pension payments increase to the rates payable where no spouse's pension is being paid.

In addition to spouse's pension and children's pensions as described above, where the spouse dies after the member and there are remaining eligible children, a lump sum is payable equal to the member's contributions reduced by the amounts of spouse's pension or lump sums in respect of commuted spouse's pension paid before the spouse's death.

Commutation of Pensions

All or part of a pension commencing after 1985 may be commuted, other than a children's pension. Commutation is only allowed after the pensioner has reached age 55, or age 60 in the case of invalidity pensions. The Trustee of the CGSSS resolved to use commutation factors that are consistent with other Divisions.

The lump sum in respect of commuted pension is subject to a minimum of

P x F

Where:

P = the fortnightly amount of pension commuted;

F = $(285 - (A - 55) \times 7)$ (the "commutation factor"); and

A = the person's age in years and days on the nominated commutation date.

Where the pension commenced after age 60 but before age 65 and the election to commute was made at the time the pension commenced, the commutation factor used is 250.

Withdrawal

On withdrawal with less than 5 years' service the benefit is a refund of contributions (without interest).

On withdrawal with between 5 and 10 years' service, the benefit is a refund of contributions with compound interest at 3.5% pa up to 1/7/1972, 4.5% pa between 1/7/1972 and 1/7/1990 and at the rates fixed by the Board since 1/7/1990.

On withdrawal with ten or more years' service, the benefit is a refund of contributions with interest as above, plus

$$T \times P / 40$$

Where:

T = the members' contributions with compound interest at 3.5% pa before 1/7/72 and 4.5% pa thereafter; and

P = completed contributory service in years and days

If a vested benefit is paid on withdrawal with 10 or more years' service, the benefit is reduced on account of employer contribution tax so that the final benefit payable is:

$$LSB - (LSB - AC) \times S2/ST \times 15\%$$

Where:

LSB = the lump sum benefit before reduction;

AC = member's contributions with interest;

S2 = member's days of membership completed after 30 June 1988; and

ST = member's total days of membership.

The withdrawal benefit is subject to a minimum of the Transfer Benefit.

Preserved Benefit

Where a member has at least 3 years completed contributory service and is retrenched or resigns, the member may elect to take a preserved benefit.

The preserved benefit is calculated with reference to the employee financed component and the employer financed component where these are calculated at the date of exit as for early retirement.

The employer financed component is indexed while the preserved benefit is held in the fund.

Preserved benefits are payable on application by the ex-member. The amount depends on the age and circumstances.

If the ex-member has reached normal retirement age and at least 10 years have passed since the commencement of membership, the fortnightly pension payable is:

$$P1 + P2$$

Where:

P1 = the employee financed component calculated at the time of exit; and

P2 = the employer financed component including any indexation applied since the date of exit.

If the ex-member has reached age 55 and at least 10 years have passed since the commencement of membership, the fortnightly pension payable is:

$$P1 \times (1 - 0.07 \times TM) + P2 \times (1 - 0.04 \times TM)$$

Where:

P1 = the employee financed component calculated at the time of exit;

P2 = the employer financed component including any indexation applied since the date of exit; and

TM = the period in years and days between the commencement of the pension and age 60.

If an ex-member with a preserved benefit dies, a spouse's pension of 2/3 of the disablement pension is payable to the spouse.

Children's pensions are also payable.

If there is no spouse or children, an amount is payable equal to the lump sum benefit that would have applied at the member's date of exit, plus interest from the date of exit.

Transfer Benefit

A member may on ceasing service, in lieu of electing to receive a cash withdrawal benefit or a Preserved Benefit, elect to receive a lump sum benefit equal to the benefit on Retrenchment to which the member would have been entitled if the member was retrenched on that date.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Tax payments (including Surcharge payments) are deducted from the members benefit by the Trustee and are paid to the relevant authorities.

9. Division CH

Definitions

Accumulation Accounts

Is defined as the member's Voluntary Contribution Account and the member's Transfer Account.

Annual Salary

Is defined as the annual rate of a member's Salary.

Contributions

Member Basic Contributions

A member is required to contribute at an elected rate of either 3% or 5% of Salary until age 65. Member Basic Contributions after age 65 are allocated to the member's Voluntary Contribution Account.

Member Voluntary Contributions

A member may make voluntary contributions in addition to the Member Basic Contributions.

Existing Member

Is a member who last became a member of the Previous Fund before 1 January 1997.

Final Salary

Is defined as the member's Annual Salary, or such other salary or average of salaries as agreed in the Trust Deed.

Membership

Is defined as the most recent uninterrupted period during which the member has been:

- A member of the fund, the Previous Fund or any Related Fund; and
- In the employ of the employer.

Old Fund

Means the Colonial Mutual Life Assurance Society Limited Officer's Superannuation Fund.

Previous Fund

Is the Colonial Group Staff Superannuation Fund established by Trust Deed dated 30 June 1978.

Related Fund

Means the Colonial Mutual Australian Staff Retirement Fund, the Colonial Mutual Australian Field Organisation Superannuation Fund and the Scottish Australia Financial Management Limited Retirement Benefit and Life Assurance Scheme.

Salary

Is generally the ordinary salary or wages determined and paid on a weekly, fortnightly or monthly basis by the employer to the member. However, in some cases salary is the amount set out in individual employment agreements.

Transfer Account

Includes the balance of the transfer account in the Previous Fund as at 30 June 1997 and amounts transferred to the fund in respect of the member which the Trustee decides to credit to this account.

Voluntary Contribution Account

Includes amounts transferred from the Previous Fund to be credited to this account, and any additional member and employer contributions paid and credited to this account.

Benefits

Normal Retirement Benefit

Basic Benefit

A member who ceases employment at age 65 (the normal retirement age) is entitled to an annual pension of the amount equal to the sum of:

- 1/60th of the member's Final Salary at the date of exit for each complete year (with part years counting proportionately) of Membership while contributing at the basic rate of 5% of Salary; and
- 1/100th of the member's Final Salary at the date of exit for each complete year (with part years counting proportionately) of Membership while contributing at the basic rate of 3% of Salary.
- subject to a minimum pension as specified under "Guarantee for Pre-83 Members".

Additional Benefit

A member who ceases employment at age 65 is also entitled to a lump sum equal to the balance of the member's Accumulation Accounts in addition to the Basic Benefit.

Early Retirement Benefit

Existing Members who retire before age 62

Existing Members who retire on or after age 55 but before age 62 are entitled to an annual pension as described in the Normal Retirement Benefit, however the pension is based on:

- Final Salary at the date of exit; and
- Membership up to the date of exit;
- reduced by 3% for each complete year (with part years counting proportionately) by which the member's exit age precedes 62; and
- increased by the pension equivalent (as determined by Trustee on advice of the Actuary) of the amount by which the Leaving Service Benefit less the member's Accumulation Accounts exceeds the commuted Early Retirement Benefit (for members who retire before age 62) (as determined by the Trustee on advice of the Actuary) before such increase.

Existing Members who retire between age 62 and 65

Existing Members who retire at or after age 62 but before the age of 65 are entitled to an annual pension equal to the greater of:

The sum of:

- 1/60th of the member's Final Salary at the date of exit for each complete year (with part years counting proportionately) of Membership prior to age 65 while contributing at the basic rate of 5% of Salary; and
- 1/100th of the member's Final Salary at the date of exit for each complete year (with part years counting proportionately) of Membership prior to age 65 while contributing at the basic rate of 3% of Salary; and

The sum of:

- 1/60th of the member's Final Salary at the date of exit for each complete year (with part years counting proportionately) of Membership prior to age 62 while contributing at the basic rate of 5% of Salary; and
- 1/100th of the member's Final Salary at the date of exit for each complete year (with part years counting proportionately) of Membership prior to age 62 while contributing at the basic rate of 3% of Salary; and
- an additional amount equal to 3% of the total amount payable under the above two paragraphs for each complete year (with part years counting proportionately) of Membership between age 62 and age 65; and
- an amount equal to the pension equivalent (as determined by the Trustee on advice of the Actuary) of any Basic Contributions with interest made by the member between age 62 and age 65,

increased by the pension equivalent (as determined by Trustee on advice of the Actuary) of the amount by which the Leaving Service Benefit less the balance in the member's Accumulation Accounts exceeds the commuted Early Retirement Benefit (for members who retire between age 62 and 65) (as determined by the Trustee on advice of the Actuary) before such increase.

Other members (not Existing Members)

Members who retire at or after age 55 but before the age of 65 are entitled to an annual pension as described in the Normal Retirement Benefit but based on:

- Final Salary at the date of exit; and
- Membership up to the date of exit;
- reduced by 2% for each complete year (with part years counting proportionately) by which the member's exit age precedes 65; and
- increased by the pension equivalent (as determined by the Trustee on advice of the Actuary) of the amount by which the Leaving Service Benefit less the member's Accumulation Accounts exceeds the commuted Early Retirement Benefit (for members who are not Existing Members) (as determined by the Trustee on advice of the Actuary) before such increase.

Additional Benefit

Any member who retires on or after age 55 but before age 65 is entitled to a lump sum equal to the balance of the member's Accumulation Accounts in addition to the Early Retirement Benefit.

Early Retirement Minimum Benefit

The lump sum equivalent (as determined by the Trustee on advice of the Actuary) of the Early Retirement Benefit is subject to a minimum of the member's Leaving Service Benefit.

In addition, a minimum pension as specified under "Guarantee for Pre-83 Members" applies.

Guarantee for Pre-83 Members

For members who were members of the Previous Fund on or before 30 June 1983, the Early Retirement Benefit, Normal Retirement Benefit and Late Retirement Benefit are subject to a minimum of the annual pension that would have been payable at the date of retirement under the rules in force immediately prior to 1 July 1983.

Leaving Service Benefits

If a member leaves employment with the employer and no other benefit is payable to the member, the benefit will equal the sum of:

- 5% of the member's Basic Amount for each year (with part years counting proportionately) of Membership during which the member was contributing at the rate of 5% of Salary plus 3% of the

member's Basic Amount for each year (with part years counting proportionately) of Membership during which the member was contributing at the rate of 3% of Salary; and

- an additional amount of 8% of the paragraph (a) benefit for each year of Membership, subject to a minimum of 40% of the paragraph (a) benefit and a maximum calculated such that the sum of paragraphs (a), (b) and (c) do not exceed the reserve value (as determined by the Trustee on advice of the Actuary) held in the fund for the member as at the date of leaving employment; and
- the balance of the member's Accumulation Accounts.

Basic Amount

Is defined as:

- where the member was in service for 12 months or longer, the annualised average Salary payable to the member for the 12 months prior to the date of leaving employment;
- where the member was in service for less than 12 months, the annualised averaged Salary which would have been payable to the member had they been in service for 12 months, assuming that the member's Salary remained unchanged for the remainder of the 12 month period.

Death Benefit

If a member dies in service before the age of 65, the benefit is a lump sum equal to the sum of:

- 6 times the Annual Salary of the member at the time of death; and
- the balance of the member's Accumulation Account.

Death of Certain Pensioners

If a member receiving a retirement pension dies without leaving a Spouse who is entitled to a pension, a lump sum is payable equal to the excess of:

- 7.5 times the annual rate of pension payable (after commutation) to the member on cessation of employment; over
- the total amount of pension (ignoring any amount commuted) paid in respect of the member.

Total and Permanent Disablement Benefit

If a member becomes Totally and Permanently Disabled before age 65, the benefit is equal to the sum of:

- 6 times the member's Annual Salary at the exit date; and
- the balance of the member's Accumulation Account,

subject to the rules in force immediately before 1 July 1989 if the member was deemed to be Totally and Permanently Disabled before that date.

Salary Continuance Benefit

If a member becomes Temporarily and Totally Disabled before age 65, the benefit is equal to 75% of the monthly equivalent of the member's Annual Salary as at the date the member ceased active employment until the earlier of 24 months, the member's 65th birthday, the member resumes work, ceases to be Temporarily and Totally Disabled, becomes Totally and Permanently Disable or dies.

Spouse and Children Benefits

A Spouse, on the death of a member who was in receipt of an Early Retirement, Normal Retirement or Late Retirement pension, is entitled to an annual pension at the rate of 60% of the pension to which the member would have been entitled at the date of death (if no part of the pension had been commuted).

If more than 40% of the member's pension has been commuted, the Spouse's pension entitlement is reduced by the same number of percentage points as the percentage of the original pension that is commuted exceeds 40%.

Upon the death of a Spouse who is in receipt of a pension described above, a lump sum shall be paid equal to the excess of:

- 7.5 times the annual rate of pension payable (after commutation) to the member on cessation of employment; over
- the total amount of pension (ignoring any amount commuted) paid in respect of the member and the member's Spouse.

Pre July 1983 and 1989 Guarantee

Where:

- immediately before 1 July 1989 a pension was being paid or was payable to a Spouse or Child (under the designated rules then in force) in respect of a member who died in service before that date; or
- immediately before 1 July 1983 a pension was being paid or was payable to a Spouse or Child (under the designated rules then in force) in respect of a member who died in service before that date, then

the Spouse or Child is entitled to a pension calculated under the terms and conditions of those rules.

Benefits for members who transfer from the Old Fund

Where a person in receipt of a pension or other benefit from the Old Fund (who consented to the transfer of moneys or other assets representing the member's interest from the Old Fund to the Previous Fund), that person (or other persons who would have been entitled to a benefit under the rules of the Old Fund as at 1 July 1978) is entitled to a benefit subject to the rules of the Old Fund as at 1 July 1978.

Note:

If a pensioner dies leaving a Spouse, the provisions under “Spouse and Children Benefits” apply.

The remarriage of a Spouse in receipt of a pension under the rules of the Old Fund shall not cause the pension to cease.

Guarantees for Certain Female Members

The retirement, death and disability benefits payable in respect of a female member who was an employee as at 1 July 1978 shall be adjusted to include the years the member was employed with the employer prior to 1 July 1978.

Reviews of Pension Benefits

As at the first day of July each year from 1 July 1989 inclusive, the Trustee shall revise each pension then being paid from the Fund to any person where the pension have been paid for at least the preceding 6 calendar months.

The following conditions shall apply to any revision of pension benefits.

In respect of a pension payable to a surviving Spouse, any pension paid to the deceased pensioner shall be taken into account in assessing the 6 calendar month period;

If the increase in the Index during the period of a year expiring on the 31 March prior to the relevant 1 July in that year does not exceed 5%, the pension shall be increased by the full amount of an increased in the Index during that period. If the increase in the Index is greater than 5%, the pension shall be increased by 5% plus one-half of any increase in the Index greater than 5% during that period.

If the Index during the period of a year expiring on the 31 March prior to the relevant 1 July applying in that year decreases and the employer expects the decrease to be sustained for some period of time, the Trustee may reduce each pension by an amount which is no greater than the decrease of the Index.

With the consent of the pensioner, any increase to a pension may be deferred or withheld or may be paid in some other form.

Commutation

Commutation of a pension is subject to the Trustees approval with the amount of the benefit being determined by the Trustee on advice of the Actuary.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Tax payments (including Surcharge payments) are deducted from the members benefit by the Trustee and are paid to the relevant authorities.

10. Division CK

Definitions

Average Pensionable Earnings

Means the yearly average of a Member's Pensionable Salary for the period of 2 years (or shorter) ending on the date of retirement or death provided that it shall include the yearly average of Pensionable Fluctuating Emoluments during the Averaging Period.

Contributions

Members are not required to contribute to the fund but may contribute on a basis agreed between the member, the principal company and the Trustee.

Employee Contribution Account

Is the account established in respect of the member which includes the balance of the account at the Transfer Date and member contributions if the member elects to contribute to the fund and any additional contributions by the employer or the member.

Fluctuating Emoluments

Means the amount of any remuneration payable by the employer to the member during his or her Membership by the way of overriding commission.

Membership

The final period of continuous service as a Salaried Employee commencing from entry into the PASPS and terminating upon the member ceasing to be a Salaried Employee.

Notional Employer Superannuation Contributions

Means the annual cost of providing benefits for the member less the applicable "charge" percentage under the SG Legislation as determined by the Actuary.

PASPS

Prudential Australia Staff Pension Scheme established by deed dated 12 October 1961 as subsequently amended.

Pensionable Fluctuating Emoluments

Means a member's Fluctuating Emoluments together with such part of his or her remuneration other than Salary and Fluctuating Emoluments as the Principal Company and Trustee shall from time to time determine and notify to the member.

Pensionable Salary

Is defined as the member's Salary and other remuneration as determined by the Trustee and the Principal Company.

Salaried Employee

Is defined as a person who is a permanent employee of the Prudential Assurance Company Limited.

Salary

Is the greater of the member's annual basic salary payable by the employer; and the amount which would have been the member's annual basic salary assuming no non-cash benefits;

Plus

Notional Employer Superannuation Contributions in respect of the member; and

Includes bonuses.

Spouse

Includes a de facto spouse who lives with the member on a bona fide domestic basis as the husband or wife of the member, and the widow, widower or surviving de facto spouse of a member.

Benefits

Retirement Benefit

A member is entitled to a Retirement Benefit if they retire:

- on or after age 60; or
- before age 60 where the member has completed 15 years Membership and has become incapacitated from continuing service by permanent disability or serious and prolonged ill health; or
- has retired with the company's consent having reached the age of 50 (other than dismissal); or
- the member has completed 10 years Membership and attained age 57.

The Retirement Benefit is equal to:

- For female members who became Salaried Employees before 1 April 1978, an annual pension equal to $62 \frac{2}{3}$ percent of the member's Average Pensionable Earnings, or
- For male members and female members who became Salaried Employees on and after 1 April 1978, an annual pension equal to 60 percent of the member's Average Pensionable Earnings

reduced by $\frac{1}{3}$ of 1 percent for each complete period of three months by which the member's age at retirement is less than age 60.

Pensions are payable monthly in advance for life and are indexed annually. A 5 year guarantee applies such that at least 5 year's pension payments are made even if the member dies in the first 5 years following commencement of the pension.

Special Conditions

In the case of a member who at the date of commencement of Membership was classified as a "Salaried Clerical Staff Employee" and whose membership commences at or after age 26, the pension shall be reduced for each complete year by which the age at commencement of membership exceeds 25 years, by $2 \frac{1}{2}$ percent in the case of a male and 3% in the case of a female provided that in the case of a female who became a member on and after 1 April 1978, the pension shall be reduced for each complete year by which the age at commencement of Membership exceeds 25 years, by $2 \frac{1}{2}$ percent.

Where a member retires on or after age 60, the pension is subject to a minimum of $\frac{1}{3}$ rd of the Average Pensionable Earnings of the member.

Where a member retires on or after age 50 with company consent (other than dismissal) or has completed 10 years membership and attained age 57, the pension shall be reduced as determined by the Actuary so as to have regard to the period between the member's age at retirement and age 55.

Spouse Benefit

If a Spouse survives a retired member and the Spouse was the member's Spouse at the date of retirement, the Spouse is entitled to a reversionary pension payable for life and equal to one half of the amount of the member's retirement pension (unless the Spouse is more than 5 years younger than the member in which case the amount of the pension payable to the Spouse shall be as fixed and certified by the Actuary). If requested, an appropriately reduced reversionary pension may be payable until either the 18th birthday of the youngest surviving child of the member or the death of the member's Spouse, whichever period is longer.

Employee Contribution Account

In addition to the Retirement Benefit, the member will receive a lump sum equal to the balance of the Employee Contribution Account.

Resignation Benefit

If a member ceases service and is not entitled to a Retirement or Retrenchment Benefit, the member is entitled to the sum of:

- The balance of the Employee Contribution Account;
- Amount of member contributions to the Fund, together with compound interest (at 4%pa up to and including the year ended 30 June 1987 and at the Fund Earning Rate thereafter) calculated annually in arrears at each 1 July where this amount is not included in (a); and
- Unless the member has been discharged for fraud or misconduct, or has resigned as an alternative to being so discharged, an amount equal to 10% of the member's Salary at the date the member ceased to be a Salaried Employee for each complete year of Membership (with part years counting proportionately using complete months).

Death in Service Benefit

If a member dies while a Salaried Employee, the death benefit is equal to:

- In the case of a member who does not leave a surviving Spouse, 4.5 times Salary;
- In the case of a member who leaves a surviving Spouse, either:
 - An annual pension equal to 66 2/3 percent of the annual amount of the member's pension which would have been payable if the member had retired by reason of total and permanent disablement or serious and prolonged ill health on the date of death, subject to a minimum of one-quarter of the Average Pensionable Earnings of the member and payable for at least a period of 5 years certain; or
 - A lump sum equal to the value of the pension payable to the spouse as determined by the Actuary.

If a member dies while a Salaried Employee or while in receipt of a retirement pension or a total and permanent disablement pension, and the member leaves surviving children under the age of 22, a pension of one-twelfth of the Average Pensionable Earnings of the member shall be payable in respect of each child until the child reaches age 18 or dies before that age, or between aged 18 and age 22 whilst the child is attending a course of full-time education.

In addition to the Death Benefit payable in (a) and (b), a lump sum equal to the balance of the Employee Contribution Account shall be paid.

Total and Permanent Disablement Benefit

If a member becomes totally and permanently disabled, they are entitled to the Retirement Benefit as if the date upon which the member is determined by the Trustee to be totally and permanently disabled was the member's retirement. The relevant pension is subject to a minimum of 33 1/3 percent of the member's Average Pensionable Earnings.

Salary Continuance Benefit

If a member becomes Temporarily and Totally Disabled before age 65, the benefit is equal to 75% of the monthly equivalent of the member's Annual Salary as at the date the member ceased active employment until the earlier of 24 months, the member's 65th birthday, the member resumes work, ceases to be Temporarily and Totally Disabled, becomes Totally and Permanently Disable or dies.

Special Provisions

Beneficiaries who were pensioners, annuitants or nominees in the PASPS on 1 July 1974 shall continue to be entitled to the pensions, annuities or benefits to which they were severally entitled.

Members who Entered the PASPS on 1 July 1961

Members who entered the Prudential Australia Staff Pension Scheme on 1 July 1961 who were members of the Prudential Staff Pension Scheme immediately prior to joining have modified benefits to those outlined above.

Commutation

Commutation of a pension is subject to the Trustees approval with the amount of the benefit being determined by the Trustee on advice of the Actuary.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Tax payments (including Surcharge payments) are deducted from the members benefit by the Trustee and are paid to the relevant authorities.

11. Division CM

Definitions

Contributions

A member shall contribute at the rates outlined in the following table provided that the Trustee may permit any member who was a member of PASS2 prior to 1 July 1976 to continue to contribute the same percentage of Salary as he or she was contributing immediately prior to that date:

Member's Age in Years at Date of Entry	Contribution Rate Expressed as a % of Salary
Under 25	4.5
25 – 29	5.0
30 – 34	5.5
35 – 39	6.0
40 – 44	6.5
45 – 49	7.0
Over 50	7.5

Disablement Salary

Is defined as the fixed salary, wages or remuneration paid to the member, including all or such part of commission, bonuses and other like payments as determined by the employer, but excluding overtime payments and expense allowances.

Eligible Dependant

For the purposes of the Death Benefit, an Eligible Dependant in relation to a member includes:

- The Spouse of the member;
- Any child of the member who is under the age of 18 years at the date of commencement of the Fund Year during which the member's death occurs; or
- Any other persons as nominated by the member and accepted by the trustees as being an Eligible Dependant of the member.

Eligible Service

- In the case of a member who works 36.25 hours per week, his or her years of Service;
- In the case of a member who works less than 36.25 hours per week, the period determined according to:

AH/SH x YOS

Where:

AH = actual weekly hours required to be worked by the member;

SH = 36.25 hours; and

YOS = the member's years of continuous Service.

Excluding any period of service before age 30 or after age 65.

Employee Contribution Account

Is the account established in respect of a member designated to receive the balance of the account at the date of transfer from PASS2, any additional contributions by the member or employer and other associated amounts.

Final Average Salary

Is defined as:

- For a member retiring on or after the first day of the month following the member's 60th birthday, his or her average Fund Salary calculated on the highest amounts of Fund Salary for any consecutive three year period during the last 10 years immediately preceding the end of his or her Eligible Service; or
- For a member retiring before the first day of the month following the member's 60th birthday or in the case of a member leaving service after 5 years Eligible Service, the average Fund Salary of that member during the last 3 years of his or her Eligible Service.

Fund Salary

Means in respect of a member the member's annual rate of Salary at the commencement of a Fund Year, based on Standard Hours of Work (36.25 hours per week).

Old Fund

Means PASS2 as it was originally constituted under the terms of an agreement dated 1 September 1958 and prior to the alterations which were effective from 31 August 1969.

PASS2

Is defined as the Prudential Australia Superannuation Scheme No. 2 established by deed dated 1 September 1958.

Salary

Is defined as the annual rate of remuneration of the member as advised by the employer.

Service

Means permanent and continuous service with any one or more of the relevant employers.

Spouse

Includes a de facto spouse who lives with the member on a bona fide domestic basis as the husband or wife of the member, and the widow, widower or surviving de facto spouse of a member.

Benefits

Retirement Benefit

If a member retires on or after the first day of the month immediately following the member's 60th birthday and before their 65th birthday, the benefit payable is a lump sum equal to 20% of the member's Final Average Salary for each year of Eligible Service plus the member's Employee Contribution Account.

If a member retires from service where the member's Eligible Service is at least 5 years and he or she has attained the age of 55, or has attained the age of 50 and has the employer's consent, or the member is suffering from serious ill-health and has attained the employer's consent, the benefit payable is equal to:

20% x Final Average Salary x Eligible Service to the first day of the month immediately following the member's 60th birthday

Less:

2 1/12% of Final Average Salary for each month (with part months taken as full months) by which the date of retirement precedes the first day of the month immediately following the member's 60th birthday;

Plus:

the Employee Contribution Account;

subject to a minimum of the Retrenchment Benefit.

Resignation Benefit

If a member leaves Service, has completed a period of Service of at least 5 years and is not entitled to another benefit, the benefit payable on the first date of the month following the member's 65th birthday (the Preserved Benefit) equals the amount of both the Member's Portion and the Employer's Portion accumulated with interest from the last day of the month immediately preceding the member's exit date to the first date of the month following the member's 65th birthday, plus the Employee Contribution Account.

Member's Portion

Is the sum of:

- an amount equivalent to 5% of the member's Salary received during his or her period of membership up to and including 30 June 1976;
- the amount standing to the credit of such member's contribution account as at 31 August 1969 accumulated with interest to the last day of the month immediately preceding the date that the member ceased service; and
- the amount of compulsory member Contributions made after 1 July 1976 accumulated with interest to the last day of the month immediately preceding the date that the member ceased service.

Employer's Portion

Is the greater of:

- an amount equal to the sum of:
 - 5% of the member's Final Average Salary multiplied by the Period of Eligible Service between the ages of 20 and 30 years, which the member has actually served; and
 - 7% of the member's Final Average Salary multiplied by the Period of Eligible Service between the ages of 30 and 40 years, which the member has actually served; and
 - 10% of the member's Final Average Salary multiplied by the Period of Eligible Service between the ages of 40 and 50 years, which the member has actually served; and
 - 14% of the member's Final Average Salary multiplied by the Period of Eligible Service between the age of 50 and the date of termination of Service; or
- the member's subsidy account to which the member would have been entitled had he or she left Service on 31 August 1969 accumulated with interest until the last day of the month immediately preceding the date that the member ceased service.

A member may elect to receive the Cash Surrender Value of Member's Portion of the Preserved Benefit prior to the first date of the month following the member's 65th birthday, and the Employee Contribution Account.

If a member elects to receive the Preserved Benefit prior to attaining age 55, he or she forfeits all entitlement to the same proportion of the Employer's Portion as the proportion of the Member's Portion surrendered. If a member makes the election after age 55, no part of the Employer's Portion is forfeited.

If a member elects to receive the Preserved Benefit, is under the age of 55 and was a member of the Old Fund, he or she at the time of the election will be paid an additional amount being a like proportion of the Cash Surrender Value of the member's subsidy account under the Old Fund.

Cash Surrender Value

Is the Member's Portion calculated at the date of termination of Service accumulated with interest to the last day of the month immediately preceding the date on which the member elected to receive the early Preserved Benefit. The Cash Surrender Value of the member's subsidy account from the Old Fund is as calculated for the Employer's Component except with interest to the last day of the month immediately preceding the date on which the member elected to receive the early Preserved Benefit.

If the member dies before age 65, the value of the Resignation Benefit will be payable immediately.

Other Resignations

If a member leaves employment through resignation and is not entitled to any other benefit, the benefit is equal to the sum of:

- member contributions accumulated with interest; and
- the amount standing to the credit of such member's contribution account as at 31 August 1969 with interest; and
- the member's subsidy account to which the member would have been entitled had he or she left Service on 31 August 1969 with interest; and
- the balance of the Employee Contribution Account.

Death in Service Benefit

A member who dies in service prior to age 65 is entitled to an amount equal to the member's Fund Salary at the commencement of the Fund Year during which the member died times the relevant factor in the table below:

Number of Eligible Dependants	Number of Times the Member's Fund Salary
Nil	2
1	3
2	4
3	5
4 or more	6

PLUS:

an amount equal to 5% of the member's Salary received during his or her period of membership up to and including 30 June 1976, and a return of an amount equal to the member contributions payable after 1 July 1976 with interest. For a member who at any time during his or her membership of PASS2 and the fund was eligible for a Death Benefit equal to 4 or more times his or her Fund Salary, the Death Benefit is subject to a minimum of 4 times the Fund Salary;

PLUS:

the Employee Contribution Account.

If a member dies on or after age 65, the benefit equals the Late Retirement Benefit.

Total and Permanent Disablement

If a member becomes Totally and Permanently Disabled prior to age 65, the benefit equals the greater of paragraph (b) of the Retirement Benefit, the Retrenchment Benefit (if these provisions apply) and the Resignation Benefit (assuming the member has completed a Period of Service of at least 5 years).

Salary Continuance Benefit

If a member becomes totally and temporarily disabled prior to age 60, the benefit equals an annual payment equal to 75% of the Disablement Salary payable monthly in arrears until either the member attains age 60, ceases being totally and temporarily disabled, the member dies or becomes totally and permanently disabled or the member receives 24 monthly payments.

There is a waiting period of one month (or the period of the member's sick leave if longer). This benefit is fully insured.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Tax payments (including Surcharge payments) are deducted from the members benefit by the Trustee and are paid to the relevant authorities.

12. Division CN

Definitions

Accrued Benefit Multiple

For a Category A Member, a multiple equal to the sum of:

- 1/12th 3 times the percentage of Salary contributed as member contributions (eg. For 2% contributions, $3 \times 2\% = 0.06$) times the number of months during which the member was contributing at that rate of Salary as a Category A Member from 1 May 1988;
- 1/12th of 0.15 times the number of months during which the member was a member of the fund prior to 1 May 1988;
- in the case of a Former TPBS Member:
 - if immediately before 1 May 1988, the member was a Category C member of the Former TPBS Plan, 1/12th of 0.075 times the number of months the member was a Former TPBS Member prior to 1 May 1988;
 - if immediately before 1 May 1988, the member was a Category B member, the multiple in the following table for the relevant members in relation to their Leaving Service Benefit before age 50, or otherwise 1/12th of 0.15 times the number of months the member was Former TPBS Member prior to 1 May 1988 for other members.

Category A Member

A member who was classified as a Category A member of the Trust Bank Fund immediately before 30 June 2000.

Contributions

Members are required to contribute at the rate they were contributing or were deemed to be contributing before 30 June 2000, that being either 2%, 3%, 4%, 5% or 6% of Salary.

Final Average Salary

Is defined as the average of the member's Salary during the period of 3 years Fund Membership prior to the date the member exited the fund. If the member's Fund Membership is less than 3 years, the actual Fund Membership is used. The Final Average Salary is subject to a minimum for Category A Members who were members of the Fund prior to 1 May 1988.

Former LBS Plan

Means the Launceston Bank for Savings Staff Superannuation Plan.

Former TPBS Member

A member who immediately prior to 1 May 1988 was a member of the Former TPBS Plan.

Former TPBS Plan

Means the Tasmanian Permanent Building Society Staff Superannuation Fund.

Fund Membership

Means the most recent uninterrupted period since 1 May 1988 during which the member was employed and contributed or was deemed to have contributed to the fund. If the member was a member prior to 1 May 1988, the Fund Membership shall include the period which counted as his or her "Fund Membership" immediately prior to 1 May 1988.

PFAS

Is defined in the case of a member other than a Former TPBS Member as the member's Final Average Salary at age 60 (at age 65 for a Former TPBS Member), calculated assuming the member had continued in employment until age 60 (age 65 for a Former TPBS Member) with the same Salary applying.

Salary

The current base salary or wage payable to a member including house allowances but excluding commissions, bonuses, other allowances, directors fees, overtime payments, special grants and other fluctuating emoluments.

Service

Means the most recent uninterrupted period of continuous employment with the employer including that which occurred whilst a member of the Former TPBS Plan prior to 1 May 1988.

Specified Age

In the case of a Former TPBS Member who was a Category A member immediately prior to 1 May 1988, the member's 65th birthday.

For any other member, the member's 60th birthday.

Voluntary Contribution Account

A Voluntary Contribution Account shall be established by the Trustee for a member to receive voluntary contributions transferred from the Trust Bank Fund, additional Contributions paid by the Employer (among other credits and debits).

Benefits

Category A Member

Voluntary Contributions Account

The balance of this account is paid as an additional benefit in addition to any other benefit payable.

Retirement Benefit

If a member leaves employment:

- on or after age 60; or
- on or after age 55 but before age 60 with the consent of the employer; or
- before age 60 because of ill-health (and the member is not entitled to a Total and Permanent Disablement Benefit);

the member is entitled to a lump sum benefit equal to the product of the member's Accrued Benefit Multiple and the member's Final Average Salary. For member's leaving employment as a result of paragraph (c), if the member is below age 55, the member's Final Average Salary is calculated assuming they remained in employment until age 55 with the same salary as when they exited.

The Retirement Benefit is subject to a minimum of the Leaving Service Benefit before age 50 or thereafter without employer consent.

Death in Service Benefit

If a member dies in service before age 60, the benefit is a lump sum calculated at the date of death equal to:

$$\text{PFAS} \times (\text{ABM} + \text{PM})$$

Where:

ABM = the member's Accrued Benefit Multiple at the date of death; and

PM = $\frac{1}{12}$ th of 0.15 times the number of months the member would have completed between the date of death and age 60 assuming the member had remained in employment until age 60.

For members of the Former LBS Plan immediately prior to 1 May 1988, the Death Benefit is subject to a minimum of the product of the member's Final Average Salary at the date of death and the multiple which would have applied under the provisions of the Former LBS Plan had the member left the employ on the date of death.

If a member dies in service on or after age 60, the benefit is a lump sum equal to the Retirement Benefit assuming the member retired on the date of death.

For members of the Former TPBS Plan who were Category C member's immediately prior to 1 May 1988, the Death Benefit (if death occurs before age 65) is subject to a minimum of:

PFAS x PM65

Where:

PM65 = 1/12th of 0.075 times the number of months in the sum of:

- the period of membership of the Former TPBS Plan prior to 1 May 1998; and
- the period of membership where the member was a Category A Member up to age 65 assuming the member had continued to be a Category A Member until age 65.

For any member, the Death Benefit is subject to a minimum of three times the member's Annual Salary calculated as at the date of death.

Total and Permanent Disablement Benefit

If a member becomes Totally and Permanently Disabled before age 60, the benefit equals the Death Benefit (at the same date).

Also, if a Former TPBS Member becomes Totally and Permanently Disabled before age 65, the minimum benefit as defined under the Death Benefit applies.

Leaving Service Benefit

Leaving Service before Age 50 or thereafter without Employer Consent

If a member leaves service before age 50 or on or after age 50 but before age 60 without employer consent and no other benefit is payable, the benefit is a lump sum equal to:

Basic Benefit = ABM / 3 x FS

Where:

ABM = the member's Accrued Benefit Multiple calculated at the date of exit;

and

FS = is:

- for a member who has not reached age 55, the member's Final Average Salary at the date the member would have reached age 55 assuming the member remained in employment until that date with the same Salary; or
- in the case of a member who has reached age 55, the member's Final Average Salary;

Plus:

1/12th of 10% of the Basic Benefit for each complete month of Service, subject to a maximum of the Basic Benefit.

Leaving Between age 50 and age 55 with Employer Consent

If a member leaves service on or after age 50 but before age 55 with the employer's consent and the member is not entitled to another benefit, the benefit is a lump sum equal to:

$$A + t \times (B - A)/n$$

Where:

- A = the benefit at the member's date of exit calculated as the Leaving Service Benefit before age 50 or for member's who leave after age 50 but before age 60 without employer consent;
- B = the member's Accrued Benefit Multiple times Final Average Salary (subject to a minimum value of A);
- t = the number of months of Fund Membership actually completed by the member subsequent to their 50th birthday or the date of becoming a member of the Trust Bank Fund if later;
- n = the number of months of Fund Membership the member would have completed subsequent to their 50th birthday (or date of becoming a member of the Trust Band Fund if later) had they remained in employment until age 55.

The Leaving Service Benefit for Former TPBS Member's is subject to a minimum of the sum of:

- total Contributions paid or deemed to have been paid by the member to the Former TPBS Plan together with interest up to 1 May 1988;
- interest on the amount above from 1 May 1988 to 30 June 2000 and from 1 July 2000 to the date of exit;
- total Contributions paid or deemed to have been paid by the member to the Trust Bank Fund and the Fund from 1 May 1988 together with interest up until the date of exit; and

- 1/12th of 10% of the sum of the above amounts for each complete month of Service, subject to a maximum of 100% of the above amounts.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Tax payments (including Surcharge payments) are deducted from the members benefit by the Trustee and are paid to the relevant authorities.

13. Division CO

Definitions

Final Average Salary

The average annual Salary received by the member during the three years of the member's Pensionable Service last preceding the date on which the member ceases to be in Service. If the Member's Pensionable Service is less than three years, it is the average annual Salary during that part of the member's Pensionable Service.

Former Contributor

A person who prior to 1 April 1988 was a contributor to the Hobart Staff Fund and transferred to the Trust Bank Fund on 30 June 1994 and is a Hobart Staff Fund Category A Member.

Hobart Staff Fund

Means The Hobart Savings Bank Staff Provident Fund constituted with effect on 1 July 1929.

Hobart Staff Fund Accumulation

Is the amount calculated as at the day immediately prior to 30 June 1994 equal to the sum of:

- the total member's Contributions paid to the Hobart Staff Fund prior to 30 June 1987 increased by 2% for each complete year of his or her Category A membership in the Hobart Staff Fund up to 30 June 1987 during which the member made contributions to the Hobart Staff Fund; and
- the total of the member's Contributions paid to the Hobart Staff Fund on or after 1 July 1987;
- together with interest for the period up to and including the day immediately prior to 30 June 1994.

Hobart Staff Fund Category A Member

A member of the Fund who immediately before 30 June 2000 was a "Hobart Staff Fund Category A Member" of the Trust Bank Fund.

Hobart Staff Fund Category A Membership

Is defined as:

- in the case of a Former Contributor, the whole of the member's Pensionable Service prior to 1 April 1988;
- the part of the member's Pensionable Service after 1 April 1988 but prior to 30 June 1994 during which the member was a Category A member in the Hobart Staff Fund;

- the part of the member's Pensionable Service from 30 June 1994 to 30 June 2000 during which the member was a Hobart Staff Fund Category A Member;
- the part of the member's Pensionable Service after 30 June 2000 during which the member was a Hobart Staff Fund Category A Member.

Hobart Staff Fund Category B Member

A member of the Fund who immediately before 30 June 2000 was a "Hobart Staff Fund Category B Member" of the Trust Bank Fund.

Hobart Staff Category B Membership

Is defined as:

- that part of the member's Pensionable Service after 1 April 1988 during which the member had been a Category B Member in the Hobart Staff Fund being the period up to and including the day immediately prior to 30 June 1994;
- the part of the member's Pensionable Service on and after 30 June 1994 but prior to 30 June 2000 during which the member was a Hobart Staff Fund Category B Member of the Trust Bank Fund;
- the part of the member's Pensionable Service on and after 30 June 2000 during which the member was a Hobart Staff Fund Category B Member in the Fund.

Pensionable Service

Means:

- in relation to a member who joined the Hobart Staff Fund prior to 29 April 1975, the member's most recent uninterrupted service prior to 30 June 1994;
- in relation to any other member, the member's most recent uninterrupted service prior to 30 June 1994 while a member of the Hobart Staff Fund;
- for members described in paragraph (a) and (b), the member's most recent uninterrupted service during the period from 30 June 1994 to 30 June 2000;
- for members described in paragraph (a), (b) and (c), the member's most recent uninterrupted service from 30 June 2000 until present.

Salary

Generally means the current base salary or wage payable to a member including house allowances but excluding commissions, bonuses, other allowances, director's fees, overtime payments and special grants. In some cases Salary will be another amount advised by the Principal Employer.

Voluntary Contribution Account

A Voluntary Contribution Account shall be established by the Trustee for a member to receive voluntary contributions transferred from the Trust Bank Fund, additional Contributions paid by the Employer (among other credits and debits).

Benefits

Voluntary Contribution Account

The balance of this account if paid in addition to any other benefit payable.

Hobart Staff Fund Category A Members

Contributions

A member is required to contribute to the fund at the rate of 5% of Salary.

Retirement Pension Benefits

Retirement on or after age 65

If a member retires from Service on or after age 65, the benefit is equal to an annual pension of 1/12th of 1/60th of his or her Final Average Salary for each complete month of the member's Hobart Staff Fund Category A Membership. The pension benefit shall cease to accrue at age 70 as if that was the member's date of retirement. The benefit after age 70 is the benefit at age 70 as if commuted to a lump sum and increased with interest.

Retirement on or after age 55 but prior to age 65

If a member retires on or after age 55 but prior to age 65, the benefit is equal to an annual pension of 1/12th of 1/60th of the member's Projected Final Average Salary for each complete month of his or her Hobart Staff Fund Category A Membership. In this case, Projected Final Average Salary is calculated as the Final Average Salary assuming the member remained in service until age 65 with the same Salary as when they retired.

For Former Contributor's prior to 29 April 1975, the benefit payable on Retirement on or after age 55 but prior to age 65 is subject to a minimum of the pension which would have been payable had the rules of the Hobart Staff Fund in force immediately prior to 29 April 1975 continued until the date of the member's retirement.

Leaving Service Benefit

If a member leaves service before age 65 for any reason other than described above, the benefit equals the member's Basic Benefit (as outlined in the Death in Service Benefit), increased by 10% for each complete year (over and above the first complete year) of the member's Hobart Staff Fund

Category A Membership, subject to a maximum of 100% after 11 years of Hobart Staff Fund Category A Membership.

Total and Permanent Disablement Benefit

If a member becomes totally and permanently disabled before age 65, the benefit is an annual pension calculated in accordance with the Retirement Benefit at age 65 using the member's Salary immediately prior to disablement assuming this remained constant until the member's 65th birthday.

The Total and Permanent Disablement Benefit may be reduced by any insurance amount refused by the insurer but is subject to a minimum of 1/12th of 1/60th of the member's Final Average Salary for each complete month of their Hobart Staff Fund Category A Membership.

Pension Terms

The pensions for a Retirement Benefit and a Total and Permanent Disablement Benefit are payable until the death of the former member or until five years after the date of their retirement, whichever is later.

Variation of Pensions

The Trustee increases pensions from time to time according to a price index provided that such increases shall not in any year exceed 3%.

Death in Service Benefit

If a member dies whilst in service, the benefit is equal to the sum of:

- 4 times the Member's annual rate of Salary at the date of death; and
- an amount called the "Basic Benefit" equal to the sum of:
 - i. Hobart Staff Fund Accumulation;
 - ii. The total of the member's Contributions paid during the period 30 June 1994 until 30 June 2000;
 - iii. The total of the member's Contributions paid after 30 June 2000; and
 - iv. Interest on amounts (i), (ii) and (iii).

The Death Benefit may be reduced by any insurance amount refused by the insurer.

For a member who dies on or after age 60, the benefit will not be less than the commuted Retirement Benefit had the member retired on the date of death.

Death of Pensioner

If a pensioner dies more than 5 years after the date of his or her retirement or Total and Permanent Disablement, and is survived by an Eligible Spouse, the Eligible Spouse is entitled to an annual pension equal to 60% of the annual pension being paid to the Pensioner immediately prior to the date of his or her death.

If a Pensioner dies within 5 years of the date of his or her retirement or Total and Permanent Disablement, and is survived by an Eligible Spouse on the 5 year anniversary of the member's retirement date, the Eligible Spouse is entitled to an annual pension equal to 60% of the annual pension being paid to the Pensioner (commencing from the 5 year anniversary of retirement).

Additional 3% Benefit

If a member leaves service for any reason, in addition to their benefit they are entitled to a lump sum equal to 1/12th of 3% of the member's Final Average Salary (at the member's date of leaving service) for each complete month in the period of the Member's Hobart Staff Fund Category B Membership provided that a member shall not be entitled to any benefit under the heading Hobart Staff Fund Category B Members.

Commutation

Members are allowed to elect to commute their pension by notice in writing to the Trustee. The commutation factor is determined by the Trustee

Hobart Staff Fund Category B Members

Contributions

A member is not required to contribute to the fund but may elect to contribute with the consent of the Trustee at the rate of either 2%, 3%, 4% or 5% of Salary.

Leaving Service Benefit

If a member leaves service for any reason other than those specified under Death and Disablement Benefits, the lump sum benefit is equal to 1/12th of 3% of the member's Final Average Salary for each complete month in the period of the member's Hobart Staff Fund Category B Membership. In this case the member's Final Average Salary is determined at the date the member leaves service.

If the member is over the age of 70, the benefit is calculated as if the member was 70 years of age and is increased with interest from that date until the date of exit.

Death and Disablement Benefits

If a member either dies in service before age 65, or becomes totally and permanently disabled before age 65, the lump sum benefit is equal to the Leaving Service Benefit, calculated as though the member had remained in service until the age of 65 assuming the member's annual rate of Salary had remained unchanged until the member's 65th birthday.

The Death Benefit may be reduced by any insurance amount refused by the insurer.

Member Contributions Benefit

In addition to the member's Leaving Service or Death and Disablement Benefits, the member will receive a lump sum equal to the amount of the Contributions elected and made by the member to the fund, accumulated with interest to the date of exit.

Additional Benefit

In addition to the above benefits, a member is entitled to a benefit as determined by the Trustee taking into consideration the member's Hobart Staff Fund Category A Membership provided that a member is not entitled to any of the benefits described under the heading Hobart Staff Fund Category A Members.

Superannuation Guarantee (SG) Minimum Benefits

A minimum benefit has been applied to all benefits to allow for SG benefits. The Minimum Requisite Benefit is in defined benefit form. Full details of the actual Minimum Requisite Benefit in the Fund can be found in the Fund's benefit certificate.

Surcharge

Tax payments (including Surcharge payments) are deducted from the members benefit by the Trustee and are paid to the relevant authorities.

14. Accumulation Division

The Accumulation Division (Division F under the Trust Deed) provides accumulation benefits only. The total account balances for Accumulation members are included in determining the liability for accrued benefits of the Fund. Surcharge payments plus interest are deducted from members' benefits.

Members in the Accumulation Division may have insured benefits, with premiums for insured cover paid by deduction from the members' accounts.