



PRIME SUPER

Defined Benefits Policy

February 2025

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Version control

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December 2019	2	Joshua Khaw	Annual review
February 2021	3	Wendy Shang	Special Policies Project Review 2020
February 2021	3	Ann Wong	Review of content by R&C business unit
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Glossary

Accumulation Division	A division of the Fund that members holding an Accumulation Account (as that term is defined in the Trust Deed) form a class of
ACRC	Audit, Compliance & Risk Committee of Prime Super
Actuaries Institute	The peak professional body for actuaries in Australia, and any successor organisation
Adopting Document	Has the meaning as defined in clause 47 of the Trust Deed
APRA	Australian Prudential Regulation Authority
ATO	Australian Taxation Office
Benefit Certificate	Has the meaning as defined in the <i>Superannuation Guarantee (Administration) Act 1992 (Cth)</i> . The Act describes the term as an actuarial certificate specifying the rate, expressed as a percentage, that is, in the actuary's opinion, the notional employer contribution rate, in relation to a specified class of employees (being members of the relevant plan), of an Employer for the benefit of those employees
Business Day	Means a day, other than a Saturday, Sunday or a Victorian or Federal public holiday
CEO	Chief Executive Officer of the Trustee
DB Member	A member who is admitted to the Fund's Defined Benefit Sub-plan, pursuant to the Trust Deed.
Defined Benefits Checklist	The Trustee's document detailing specific requirements under SPS 160
Defined Benefit Sub-plan	Defined Benefit Sub-plan established under clause 47 of the Trust Deed
DB School Plan	<p>That part of the Defined Benefit Sub-plan referable solely to a specific Employer and its employees pursuant to an Adopting Document (as that term is defined in clause 47) and having regard to what is a "defined benefit sub-fund" (as defined in the SIS Regulations).</p> <p>For the purposes of this Policy, each of the following is a DB School Plan:</p> <ul style="list-style-type: none"> the Caulfield Grammar School DB Plan;

	<ul style="list-style-type: none"> • the Geelong Grammar School DB Plan; and • the Xavier College DB Plan
Employer	Means an “Employer Sponsor” as defined in the Trust Deed
Fund	The regulated and registered superannuation fund under SIS known as ‘Prime Super’ ABN 60 562 335 823
IFRS	International Financial Reporting Standards
Minimum Requisite Benefit	Has the meaning as defined in the SIS Regulations. The SIS Regulations define this term to mean <i>‘the benefit certified by an actuary in a relevant benefit certificate as the minimum benefit in respect of the member.’</i>
Notifiable Event	Has the meaning as defined in the SIS Regulations. The SIS Regulations define this term to mean: <i>‘(a) an amendment of the governing rules of the fund in a way that affects the level, or method of calculation, of the benefits of the fund; or</i> <i>(aa) the receipt by a trustee of the fund of a written direction from the Regulator under subregulation 9.09(1A); or</i> <i>(b) an event identified by a superannuation actuary, in accordance with paragraph 9.10(1)(c) or 9.18(9)(b), in a funding and solvency certificate relating to the fund.’</i>
Policy	This Defined Benefits Policy and its annexures
Prime Super Pty Ltd	Prime Super Pty Limited ABN 81 067 241 016 acting either as the trustee of the Fund or in its personal capacity or both (as the context requires)
Relevant Law	Any law, regulation, regulatory standard, government policy, contract, Trust Deed, common law, trust law, relevant document or precedent (as the context requires), including but not limited to SIS, the SIS Regulations, and SPS 160. The Relevant Law excludes taxation law
SIS	<i>Superannuation Industry (Supervision) Act 1993 (Cth)</i>
SIS Regulations	<i>Superannuation Industry (Supervision) Regulations 1994 (Cth)</i>
SPS 160	APRA’s <i>Prudential Standard 160 Defined Benefit Matters</i>
Trust Deed	The Fund’s trust deed, dated 16 November 1993, as amended from time to time

Trustee, Us, Our, or We	Prime Super Pty Ltd
Unsatisfactory Financial Position	Under section 130 of SIS and SIS Regulation 9.04, a defined benefit fund is in an “unsatisfactory financial position” if the value of assets is inadequate to cover the value of the Fund’s defined benefit liabilities.
Valuation Date	The date at which an actuarial investigation was effective
VBI	Vested Benefit Index which is an estimate of total benefits owed to all DB Members if they voluntarily left their Employer on the same date.

1. Introduction

1.1 Background

Prime Super Pty Ltd is the trustee of the Fund that is governed by the Trust Deed.

Under clause 47 of the Trust Deed:

- (a) the Defined Benefit Sub-plan is established;
- (b) an Employer, pursuant to an Adopting Document, may make contributions for such of its employees as it approves to the Defined Benefit Sub-plan in accordance with, among other things, a benefits schedule; and
- (c) an employee of an Employer may be a member of the Defined Benefit Sub-plan with the Employer’s approval and, as a member of the Defined Benefit Sub-plan, must comply with the terms and conditions of the Defined Benefit Sub-plan.

As at the date of this Policy, the Fund’s Defined Benefit Sub-plan comprises of three (3) DB School Plans. There are no other defined benefit plans.

The purpose of each DB School Plan is to provide benefits to DB Members from a particular Employer upon their retirement, or the occurrence of other events such as death, disablement, ceasing employment or early retirement. A DB Member’s defined benefit is typically calculated based on the salary on exit (or in the years preceding exit) and the DB Member’s accrued service to the date of exit.

As a result, the cost of funding defined benefits for each DB School Plan, in particular, and the Defined Benefit Sub-plan, more broadly, is uncertain and is subject to future salary inflation. Contribution rates need to be determined by an actuary on a regular basis to ensure that each DB School Plan, in particular, and the Defined Benefit Sub-plan, more generally, maintains sufficient assets to pay benefits as they fall due.

1.2 The Policy’s purpose

While clause 47 of the Trust Deed regulates the Defined Benefit Sub-plan, the purpose of this Policy is to regulate the Trustee’s compliance with the Relevant Law relating to each DB School

Plan (which together constitute the Defined Benefit Sub-plan).

This Policy sets out the following:

- (a) how the Trustee will operate and regulate each DB School Plan separately from each other DB School Plan and the Accumulation Division; and
- (b) how the Trustee will comply with the Relevant Law insofar as it relates to the funding and solvency of defined benefit plans.

For the purposes of paragraph (a) above:

- (i) The Trustee must at all times maintain separate financial records and accounts:
 - (1) for each DB School Plan; and
 - (2) for the Accumulation Division,to identify:
 - (3) the funds attributable to each DB School Plan;
 - (4) any surplus associated with each DB School Plan; and
 - (5) the members' funds and reserves of the Accumulation Division.
- (ii) Subject to paragraph (i) above, the Trustee may invest the assets of a DB School Plan in the same investment option of the Fund in which the assets of another DB School Plan are invested.

The Policy should be read alongside the Defined Benefits Checklist that forms an Annexure to this Policy.

2. Legislative requirements

2.1 The Relevant Law to be considered in conjunction with the Policy

This Policy has been drafted, subject to the Relevant Law requirements. Despite this, the Policy does not act as a proxy for the Relevant Law, and the Relevant Law should be considered in conjunction with this Policy.

2.2 Defined Benefits Checklist

All tasks pursuant to SPS 160 are set out in Prime Super's Defined Benefits Checklist. The Defined Benefits Checklist further addresses matters relating to:

- actuarial investigations;
- shortfall limits; and
- Unsatisfactory Financial Position,

including timing requirements.

2.3 Actuary

2.3.1 Actuary appointment

Superannuation law requires the Trustee to arrange for various actuarial tasks to be carried out for each DB School Plan.

For each DB School Plan, the Trustee, in consultation with the Employer, will appoint an actuary to complete these tasks as required. The Trustee will have ultimate discretion in appointing an actuary.

The actuary is required to comply with legislation and the professional standards and guidelines prescribed by the Actuaries Institute.

2.3.2 Actuary functions

Unless the Trustee can seek exemptions from APRA, the actuary must make an actuarial investigation in relation to the Defined Benefit Sub-plan:

- at least every **3 years** if the fund is not paying a defined benefit pension;
- at least annually if the fund has fewer than five members and is paying a defined benefit pension;
- if the fund has more than four members, and is paying a defined benefit pension, within **1 year** of the Trustee commencing to pay the pension; and
- if the defined benefit plan has more than four members, and is paying a defined benefit pension, for second and further investigations after the Trustee commences paying the pension, annually or with a frequency determined by APRA.

Additional tasks will also be carried out by the actuary. These tasks principally relate to taxation rather than funding:

- as the Employer contributions are not allocated to individual DB Members, the Trustee must work out the notional amount of concessional contributions allocable to DB Members in respect of their annual defined benefits accrual. The Trustee is required to report the full notional taxed contributions amount to the ATO. If a DB Member is eligible for grandfathering, the Trustee will be required to indicate this via a new reporting label; and
- actuarial tax certificates are required for funds seeking an income tax deduction for investment earnings on assets supporting pension benefits. This is certified annually for the Fund as a whole, including defined benefit and account-based pensions.

Further actuarial requirements are detailed in this Policy.

2.3.3 Actuarial reports

The Trustee must obtain an actuarial report in relation to each initial and regular investigation undertaken within **6 months** of the Valuation Date, unless an exemption applies.

Actuarial reports must contain, at a minimum, the information as detailed in the Defined Benefits Checklist.

2.4 Minimum requisite benefit

The Trustee must ensure that each DB Member is paid (as a minimum) his or her Minimum Requisite Benefit in accordance with the Relevant Law (having regard to, among other matters, SIS Regulation Division 5.2) and as determined under the DB School Plan's Benefit Certificate.

3. Review and monitoring of the Defined Benefit Sub-plan

Because of the complexities involved in managing defined benefits, the Trustee appoints an external actuary to assist with the actuarial monitoring of each DB School Plan. The actuary of a DB School Plan monitors the financial position and the compliance requirements for the DB School Plan, ensuring that the necessary tasks have been completed.

The Trustee will engage directly with the actuary as required and will assist in any communication to DB Members and Employer .

Prime Super's Risk and Compliance team will monitor any risk and compliance issues arising from the DB School Plans and manage these issues appropriately.

The CEO will produce a report on at least an annual basis for the Trustee. The report will detail the status of each DB School Plan, covering:

- overall experience of the DB School Plan compared with its expectations during the relevant period;
- risk assessment of the DB School Plan if it has either entered into or is likely to enter an Unsatisfactory Financial Position, and associated actions;
- a summary of key events and developments affecting the DB School Plan;
- progress of required actuarial tasks for the DB School Plan;
- closer monitoring of the DB School Plan if it is in, or is approaching, an Unsatisfactory Financial Position; and
- current and potential issues that may affect the DB School Plan, such as new legislation or standards.

The General Manager, Risk and Compliance will also produce an annual report for the ACRC on the status of each DB School Plan's risks. The ACRC may receive more frequent reports for a DB School Plan if the DB School Plan is underperforming or other risk events occur.

4. DB School Plans' funding objectives

4.1 Introduction

The actuary will set each DB School Plan's funding objective. The funding objectives of each DB School Plan are contained in the relevant actuarial report.

The following should be considered when setting funding objectives for a DB School Plan:

- the Trustee's view on funding requirements (in consultation with the relevant Employer);
- the Trustee's policy for determining shortfall limits as required by SPS 160; and

- required items to be included in actuarial investigations.

4.2 Overview

The purpose of each DB School Plan is to provide benefits to DB Members from a particular Employer upon a particular condition of release being met.

In accordance with SPS 160, each DB School Plan must remain in a satisfactory financial position, with the consequential ability to satisfy benefit payment obligations as and when they fall due. To this end, the Employer of a DB School Plan must support the DB School Plan by contributing in accordance with the actuary's recommendations as agreed to by the Trustee.

The Trustee notes the following (as at the date of this Policy):

- Each DB School Plan's assets are invested as follows:

Name of DB School Plan	Where are assets invested
Caulfield Grammar School	MySuper Option
Geelong Grammar School	MySuper Option and Conservative Option with excess assets over the VBI invested in the Conservative Option
Xavier College	MySuper Option and Conservative Option with excess assets over the VBI invested in the Conservative Option

This may be altered at any time in consultation with the DB School Plan actuary.

- A DB School Plan should only be in an Unsatisfactory Financial Position in unusual circumstances.
- The Trustee requires that, if a DB School Plan was to be in an Unsatisfactory Financial Position, the Employer will make the necessary contributions to rectify this position as soon as practicable.
- The Adopting Document in relation to a DB School Plan provides for the Employer to finance the defined benefits of the DB School Plan. Contributions are as recommended by the actuary. If the Employer does not pay contributions as set down in the Benefit Certificate then they will have a superannuation guarantee shortfall liability that will be subject to recovery by the ATO.
- generally, there is an obligation to notify members of adverse situations impacting the fund's financial position, including the impact on the Defined benefit Sub-plan and defined benefits. Adverse situations are likely to include a failure of the Employer to make contributions and/or a DB School Plan being in an Unsatisfactory Financial Position.

4.3 Influencing factors in the funding arrangements

The Trustee expects that, the actuarial review will include consideration of Employer contributions and funding arrangements. In doing so, it is expected that the actuary will consult

with the Employer and the Trustee about the following matters:

- the liability structure of the DB School Plan;
- the likely experience of the DB School Plan (e.g. reduction in defined benefit membership);
- the investment policy adopted;
- the impact on levels and volatility of Employer contributions of any variations in experience and relativity to the size of the Employer's overall workforce and superannuation obligations;
- the ability and willingness of the Employer to make the required contributions when required;
- security of members' benefits and separation of the fortunes of the Employer from the ability of the DB School Plan to pay benefits;
- the Trustee's requirement to avoid having the DB School Plan in an Unsatisfactory Financial Position;
- the tying up of Employer capital in their superannuation plan;
- the financial position disclosed on the Employer's balance sheet under IFRS reporting of actuarial liabilities;
- the provisions of the Trust Deed, this Policy and the relevant Adopting Document, including:
 - enforcement of Employer contributions; and
 - the use of any residual surplus.

4.4 Funding objectives

Having considered these issues and in order to provide a preferred position to assist the actuary of a DB School Plan in its consideration and recommendations that are likely to be acceptable to the Trustee, the Trustee notes its position, for each DB School Plan, that:

- if within **3 months** of an Unsatisfactory Financial Position of the DB School Plan being identified; and
- if, in the opinion of the Trustee, the current investment conditions are expected to prevail for an extended period,

then the Employer of the DB School Plan should make an increase in Employer contributions to the DB School Plan such that the financial position of the DB School Plan will be satisfactory within **12 months**.

4.5 Shortfall limits

4.5.1 Shortfall limit to be set

As required by SPS 160, unless expressly indicated by APRA, the Trustee will ensure that a shortfall limit is set for the Defined Benefit Sub-plan. The shortfall limit is to be approved by the

Board.

A “shortfall limit” is the extent to which the Trustee considers that the relevant defined benefit plan can be in an Unsatisfactory Financial Position with the Trustee still being able to reasonably expect that, because of corrections to temporary negative market fluctuations in the value of fund assets, the plan can be restored to a satisfactory financial position within **1 year**.

4.5.2 Shortfall limit parameters

The shortfall limit:

- may be set so there is zero deviation from a satisfactory financial position;
- must not be such that that the fund may become technically insolvent as referred to in regulation 9.06(3) of the SIS Regulations before breaching the shortfall limit; and
- must be calculated and expressed in the same way as required under the reporting standards made under the *Financial Sector (Collection of Data) Act 2001* (Cth).

The process of determining the shortfall limit should consider each DB School Plan’s asset allocation, and what proportion of the DB School Plan’s vested benefit funding is impacted by market fluctuations.

When expressed as the level of the VBI, the Trustee expects that in normal circumstances, this limit will be in line with the actuary’s recommendation.

The shortfall limit will not be determined at such a level that it compromises the likelihood of an actuary being able to certify the solvency of the DB School Plan under paragraph 9.10(1)(e) of the SIS Regulations. The actuary should consider the appropriateness of the shortfall limit as part of every regular actuarial investigation of a DB School Plan.

4.5.3 Monitoring of shortfall limit

The Board must determine and implement a monitoring process designed to detect, on a timely basis, when the defined benefit plan has, or may have, fallen into an unsatisfactory financial position and/or breached the shortfall limit.

4.5.4 Interim investigations of shortfall limit

The Trustee must:

- appoint an actuary to carry out an interim actuarial investigation for a defined benefit fund as soon as practicable if:
 - it appears that the fund is or may be in breach of its shortfall limit; and
 - a regular actuarial investigation is not due for **6 months** or more; or
- seek actuarial advice as to whether action should be taken prior to the completion of the next regular investigation if:
 - it appears that the fund is or may be in breach of its shortfall limit; and
 - the next regular actuarial investigation is due to commence within **6 months** unless:
 - an investigation is currently taking place;

- a restoration plan is already in place; or
- the fund is technically insolvent.

An interim investigation report must contain, at a minimum, those requirements as set out in the Defined Benefits Checklist.

If the actuary determines that the fund:

- is to be treated as being in an Unsatisfactory Financial Position or the fund is likely to become of an Unsatisfactory Financial Position; or
- the fund is in an Unsatisfactory Financial Position and the fund is in breach of its shortfall position;

the actuary must prepare a statement of recommendations that, at a minimum, meets the requirements as contained in the Defined Benefits Checklist, unless a restoration plan in place or the fund has been declared to be technically insolvent.

The statement of recommendations must be provided to the Trustee within **15 Business Days** of the actuary making the finding.

4.6 Actuarial investigations: required items

The report of an actuarial investigation for a DB School Plan must contain the items required under SPS 160, as detailed in the Trustee's Defined Benefits Checklist. When providing each report to the Trustee, the actuary of the DB School Plan must confirm in writing that its report contains the required items under SPS 160.

5. Restoration plans

5.1 Background

Where a DB School Plan's VBI is lower than the actuary's recommendation at the time of an actuarial investigation/review, a restoration plan may be required to be developed to return the DB School Plan to a satisfactory position within **3 years** of the Valuation Date. The restoration plan may be developed in consultation with the Employer of the DB School Plan and the actuary and must be approved by the Trustee within **3 months** of receiving the actuary's report.

The Defined Benefits Checklist details the minimum requirements of a restoration plan.

The difference between the DB School Plan's VBI and the actuary's recommendation is often referred to as a 'funding deficit' or 'unfunded liability'. Depending on the size of the funding deficit/unfunded liability, there may be a number of ways for the DB School Plan to be returned to a satisfactory position.

The Trustee will normally consult with the actuary and the relevant Employer while the Trustee formulates the restoration plans. The Trustee will also consult with APRA if and as required.

5.2 Funding calls

One option that may be included in a restoration plan for a DB School Plan is a funding call. The amount of a funding call will depend on a number of factors including the size of the funding

deficit/unfunded liability, the expected investment returns over the next **12 months to/2 years**, and the expected timing of the DB member retirement/resignations/terminations in the relevant DB School Plan.

If a funding call is made, the relevant Employer must make a contribution to the DB School Plan to cover the amount of the funding deficit/unfunded liability that has been determined by the Actuary. The timing of when the payment of the contribution is required will be as agreed between the Employer, the Trustee and the Actuary. In some circumstances, it may be possible that the funding call could be payable in instalments. If an agreement cannot be reached between the Employer, the Trustee and the Actuary, the opinion of the Actuary will prevail.

6. Funding surpluses

A DB School Plan is in a satisfactory financial position, if the DB School Plan has a VBI surplus. This means that the market value of the DB School Plan's assets supporting the defined benefit obligations exceed the vested benefits that the members of the DB School Plan would have been entitled to if they had all exited the DB School Plan on the same day.

As part of the actuarial investigation for each DB School Plan, the actuary also considers whether there is an "actuarial shortfall/surplus". This actuarial shortfall/surplus considers whether assets supporting the DB School Plan plus expected future contributions exceed the expected future benefits and expenses of the DB School Plan. Effectively, this is a measurement of the assets supporting the DB School Plan compared to the total service liability of the DB School Plan.

If a DB School Plan is wound up and there is a surplus, the surplus will be dealt with by the Trustee in accordance with clause 47 of the Trust Deed and subject to any Relevant Law requirements.

7. Self-insurance

The Trustee and Fund do not self-insure insured benefits.

8. Notifiable Events

If a Notifiable Event occurs in relation to a DB School Plan:

- the existing funding and solvency certificate in relation to the DB School Plan ceases to have effect at the end of the date on which the notifiable event occurs; and
- the Trustee must obtain a new funding and solvency certificate.

The new funding and solvency certificate must be obtained not later than **3 months** after the date on which the Notifiable Event occurs.

9. The Policy's administration

9.1 Policy review

The Policy is to be internally reviewed at least once every **2 years (Biennial Review)** in

accordance with the ACRC cycle.

The Policy may require review out of ACRC cycle in the event of material changes to the Relevant Law or before the establishment of any new defined benefit plans.

The Policy may be reviewed by third party advisers as required.

The Biennial Review, at a minimum, must consider and review the following:

- the Policy document;
- changes to Relevant Law;
- the Fund's strategic direction;
- audit findings;
- changes to process and procedures
- changes to business rules/checklists.

The Biennial Review does not include a review of the Trustee's or Actuary's compliance with the Policy, the Defined Benefits Checklist or the Relevant Law; the Biennial Review is limited to a review of the suitability and appropriateness of the statements as contained in the Policy, having regard to changes as detailed in the Annexure 2 Policy Review Checklist.

9.2 Related documents

The following documents relate to the governance and administration of Prime Super's Defined Benefit Sub-plan, and should be considered when following the requirements under this Policy:

- Prime Super Trust Deed, including:
 - Caulfield Grammar School Deed of Adoption;
 - Geelong Grammar School Deed of Adoption; and
 - Xavier College Deed of Adoption; and
- Defined Benefit Business Rules.

Annexure 1 Defined Benefit Checklist

From 1 July [year] to 30 June [year]

SPS 160 Defined Benefits – Assessment Checklist			
Compliance requirement	Obligation	Comply? (Yes/ No or N/A)	Rationale in support of conclusion (include relevant <u>dates</u>)
SPS 160 – <u>Defined Benefit Matters</u>			
Guidance: Terms used in this document have the same meaning as defined in the Prime Super Defined Benefits Policy.			
Shortfall limit			
Has a shortfall limit been set and has this shortfall limit been approved by the Board?	SPS 160.10		
Has the approved shortfall limit been calculated and expressed in the same way as required under the reporting standards made under the <i>Financial Sector (Collection of Data) Act 2001</i> (Cth) (i.e. SRS 160.0 and SRS 160.1)?	SRS 160.12		
The Trustee must have monitoring process designed to detect, on a timely basis, when the fund has, or may have, fallen into an unsatisfactory financial position and/or breached the shortfall limit.	SPS 160.13		
Sub-fund actuarial investigations – regular investigations			
<i>NB: include the date of report of actuarial investigation for each sub-fund.</i>		SPS 160.14	
If the sub-fund is not paying a defined benefit pension, has the sub-fund been subject to an actuarial investigation in the last three years?	<input type="checkbox"/>		

SPS 160 Defined Benefits – Assessment Checklist

Compliance requirement		Obligation	Comply? (Yes/ No or N/A)	Rationale in support of conclusion (include relevant <u>dates</u>)
If the sub-fund has fewer than 5 members and is paying a defined benefit pension, has the sub-fund been subject to an actuarial investigation in the last year?	<input type="checkbox"/>			
If the sub-fund has more than 4 members and is paying a defined benefit pension, has the sub-fund been subject to an actuarial investigation in the last year to 3 years (depending upon APRA's determination of timing)?	<input type="checkbox"/>			
Sub-fund actuarial investigations- interim investigations				
<p>Have the following events occurred during the year:</p> <ul style="list-style-type: none"> (a) The Fund is or may be in breach of its shortfall limit; and (b) A regular investigation is not due for 6 months or more? <p>If yes, to both of the above, confirm that an actuarial investigation has or will be carried out for the applicable sub-fund <u>unless</u> an investigation is currently taking place, a restoration plan is already in place, or the fund is technically insolvent.</p>		SPS 160.17(a)		
<p>Have the following events occurred during the year:</p> <ul style="list-style-type: none"> (a) The Fund is or may be in breach of its shortfall limit; and (b) A regular investigation is due to commence within 6 months? <p>If yes, to both of the above, confirm the Trustee sought actuarial advice as to whether action should be taken prior to the completion of the next regular investigation of the applicable sub-fund <u>unless</u> an investigation is currently taking place, a restoration plan is already in place, or the fund is technically insolvent.</p>		SPS 160.17(b)		
Sub-fund report of the actuarial investigation- regular investigations				

SPS 160 Defined Benefits – Assessment Checklist

Compliance requirement	Obligation	Comply? (Yes/ No or N/A)	Rationale in support of conclusion (include relevant <u>dates</u>)										
Check that the actuarial report was obtained within 6 months of the date at which the investigation was effective (valuation date) and ensure the report is dated	SPS 160.21												
Has there been any request from APRA for a copy of the actuarial report? If yes, ensure a copy was provided within 15 business days.	SPS 160.22												
<p>Does the actuarial report of a regular investigation contain the minimum requirements per SPS 160, para 23:</p> <table border="1" data-bbox="107 724 1335 1406"> <tbody> <tr> <td data-bbox="107 724 1184 829">The value of the assets of the sub-fund at the valuation date, excluding any amount held to meet the ORFR.</td> <td data-bbox="1184 724 1335 829" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 829 1184 935">A projection made by the actuary of the likely future financial position of the sub-fund, during the three years following the valuation date, based on the reasonable expectations of the actuary.</td> <td data-bbox="1184 829 1335 935" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 935 1184 1138">A statement of the actuary's opinion on whether, at the valuation date, the value of the assets of the sub-fund, excluding any amount held to meet the ORFR, is adequate to meet the liabilities in respect of the accrued benefits of the members of the sub-fund. The actuary must also assess and comment on the appropriateness of the assumptions and valuation methods used to determine the accrued benefit liability.</td> <td data-bbox="1184 935 1335 1138" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 1138 1184 1308">A statement regarding the financial position of the fund that indicates whether it is to be treated as unsatisfactory, and whether, in the opinion of the actuary, the shortfall limit should be reviewed. If the actuary finds that the financial position is to be treated as unsatisfactory, the statement must contain the information required under SPS 160.31(a).</td> <td data-bbox="1184 1138 1335 1308" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 1308 1184 1406">A statement indicating the value of the liabilities of the sub-fund in respect of the minimum benefits of the members of the sub-fund.</td> <td data-bbox="1184 1308 1335 1406" style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>	The value of the assets of the sub-fund at the valuation date, excluding any amount held to meet the ORFR.	<input type="checkbox"/>	A projection made by the actuary of the likely future financial position of the sub-fund, during the three years following the valuation date, based on the reasonable expectations of the actuary.	<input type="checkbox"/>	A statement of the actuary's opinion on whether, at the valuation date, the value of the assets of the sub-fund, excluding any amount held to meet the ORFR, is adequate to meet the liabilities in respect of the accrued benefits of the members of the sub-fund. The actuary must also assess and comment on the appropriateness of the assumptions and valuation methods used to determine the accrued benefit liability.	<input type="checkbox"/>	A statement regarding the financial position of the fund that indicates whether it is to be treated as unsatisfactory, and whether, in the opinion of the actuary, the shortfall limit should be reviewed. If the actuary finds that the financial position is to be treated as unsatisfactory, the statement must contain the information required under SPS 160.31(a).	<input type="checkbox"/>	A statement indicating the value of the liabilities of the sub-fund in respect of the minimum benefits of the members of the sub-fund.	<input type="checkbox"/>	SPS 160.23		
The value of the assets of the sub-fund at the valuation date, excluding any amount held to meet the ORFR.	<input type="checkbox"/>												
A projection made by the actuary of the likely future financial position of the sub-fund, during the three years following the valuation date, based on the reasonable expectations of the actuary.	<input type="checkbox"/>												
A statement of the actuary's opinion on whether, at the valuation date, the value of the assets of the sub-fund, excluding any amount held to meet the ORFR, is adequate to meet the liabilities in respect of the accrued benefits of the members of the sub-fund. The actuary must also assess and comment on the appropriateness of the assumptions and valuation methods used to determine the accrued benefit liability.	<input type="checkbox"/>												
A statement regarding the financial position of the fund that indicates whether it is to be treated as unsatisfactory, and whether, in the opinion of the actuary, the shortfall limit should be reviewed. If the actuary finds that the financial position is to be treated as unsatisfactory, the statement must contain the information required under SPS 160.31(a).	<input type="checkbox"/>												
A statement indicating the value of the liabilities of the sub-fund in respect of the minimum benefits of the members of the sub-fund.	<input type="checkbox"/>												

SPS 160 Defined Benefits – Assessment Checklist

Compliance requirement		Obligation	Comply? (Yes/ No or N/A)	Rationale in support of conclusion (include relevant <u>dates</u>)
If the sub-fund has been used to meet obligations under the <i>Superannuation Guarantee Administration Act 1992</i> , a statement as to whether or not all necessary funding and solvency certificates were obtained during the period under investigation, and a statement as to whether or not the actuary expects that an actuary will be able to certify the solvency of the sub-fund in any funding and solvency certificate required during the three year period following the valuation date.	<input type="checkbox"/>			
Recommendations as to the level of, or the rate at which, or the range of rates within which, employer contributions are to be made during the three-year period immediately following the valuation date.	<input type="checkbox"/>			
If the sub-fund is paying a defined benefit pension to at least one defined benefit member of the sub-fund, a statement of the actuary's opinion on whether, at the valuation date, there is a high degree of probability that the fund will be able to pay the pension as required under the fund's governing rules.	<input type="checkbox"/>			
A statement regarding the occurrence of a prescribed event, if a pre-July 1988 funding credit has been granted or has been obtained by transfer under SIS or the SIS Regulations, and Prime Super's governing rules have been amended to alter the calculation of the funding credits.	<input type="checkbox"/>			

Report of the actuarial investigation- interim investigation

This section is only applicable if an interim investigation was conducted during the period pursuant to SPS 160.17

SPS 160 Defined Benefits – Assessment Checklist

Compliance requirement	Obligation	Comply? (Yes/ No or N/A)	Rationale in support of conclusion (include relevant <u>dates</u>)				
<p>Does the report of a sub-fund interim investigation contain at a minimum:</p> <table border="1" data-bbox="107 483 1335 675"> <tr> <td data-bbox="107 483 1182 586">Reasonable estimate of the value of the assets of the sub-fund (excluding any amount held to meet the ORFR).</td> <td data-bbox="1182 483 1335 586" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 586 1182 675">Whether the value is in breach of the Fund's shortfall limit.</td> <td data-bbox="1182 586 1335 675" style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Reasonable estimate of the value of the assets of the sub-fund (excluding any amount held to meet the ORFR).	<input type="checkbox"/>	Whether the value is in breach of the Fund's shortfall limit.	<input type="checkbox"/>	SPS 160.27		
Reasonable estimate of the value of the assets of the sub-fund (excluding any amount held to meet the ORFR).	<input type="checkbox"/>						
Whether the value is in breach of the Fund's shortfall limit.	<input type="checkbox"/>						
Check that the sub-fund interim investigation actuarial report is dated no longer than 3 months after the later of the valuation date and the date the Trustee determined that an interim actuarial investigation was required.	SPS 160.28						
Has the Trustee provided a copy of the interim actuarial report to APRA within 15 business days of receipt of the report?	SPS 160.29						
<p>Unsatisfactory financial position</p> <p><i>NB: This section is only applicable if during an initial or regular investigation, the actuarial report makes the following finding:</i></p> <ul style="list-style-type: none"> <i>i) The fund is in an unsatisfactory financial position; or</i> <i>ii) The financial position of the fund is likely to become unsatisfactory</i> <p><i>Or</i></p> <p><i>When conducting an interim investigation, the actuarial report makes the following finding:</i></p> <ul style="list-style-type: none"> <i>iii) The fund is in an unsatisfactory financial position; or</i> <i>i) The fund is in breach of its shortfall limit</i> 							

SPS 160 Defined Benefits – Assessment Checklist

Compliance requirement	Obligation	Comply? (Yes/ No or N/A)	Rationale in support of conclusion (include relevant <u>dates</u>)				
<p>The Trustee’s actuary must prepare a statement that:</p> <table border="1" data-bbox="107 483 1333 708"> <tr> <td data-bbox="107 483 1184 573">Describes the recommended actions to be taken to address the financial position.</td> <td data-bbox="1184 483 1333 573"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 573 1184 708">Contains a recommendation, or sets a date by which the recommendation will be made, in respect of a contribution rate or level that on reasonable expectations, will restore the sub-fund to maintain it in a satisfactory financial position, within a time period that is reasonable.</td> <td data-bbox="1184 573 1333 708"><input type="checkbox"/></td> </tr> </table> <p>Check that the time period is not longer than 3 years from the valuation date (For interim investigation: the later of the valuation date and the date the Trustee determined that an interim investigation was required).</p> <p>Has the Trustee appointed an actuary to be responsible for provision of advice to the Trustee in regard to actuarial management during the period in which the fund is in an unsatisfactory financial position.</p> <p>Was the Trustee notified by the Actuary within 15 business days of the actuary making a finding in the actuarial report of the investigation.</p>	Describes the recommended actions to be taken to address the financial position.	<input type="checkbox"/>	Contains a recommendation, or sets a date by which the recommendation will be made, in respect of a contribution rate or level that on reasonable expectations, will restore the sub-fund to maintain it in a satisfactory financial position, within a time period that is reasonable.	<input type="checkbox"/>	SPS 160.31		
Describes the recommended actions to be taken to address the financial position.	<input type="checkbox"/>						
Contains a recommendation, or sets a date by which the recommendation will be made, in respect of a contribution rate or level that on reasonable expectations, will restore the sub-fund to maintain it in a satisfactory financial position, within a time period that is reasonable.	<input type="checkbox"/>						
Has a copy of the statement been provided to APRA within 15 business days after receipt from the actuary?	SPS 160.32(a)						
Has a consultation taken place with the employer-sponsor about the content and implementation of the recommendations of the actuary?	SPS 160.32(b)						
Has the Trustee appoint an actuary to be responsible for provision of advice to the Trustee in regard to actuarial management during the period in which the fund is in an unsatisfactory financial position, including advice as to whether, under the governing rules of the fund, there can be any reduction in the amounts of any benefit payments from the fund, or deferral of payment of any part of the benefit, during the period	SPS 160.32(c)						

SPS 160 Defined Benefits – Assessment Checklist

Compliance requirement	Obligation	Comply? (Yes/ No or N/A)	Rationale in support of conclusion (include relevant <u>dates</u>)								
Does the Trustee have a restoration plan to return the fund to a satisfactory financial position within the timeframe required (no longer than 3 years), which has been approved by the Board within 3 months.	SPS 160.32(d)										
Has the Trustee provided a copy of the restoration plan to APRA and the actuary within 15 business days after the Board has approved the plan?	SPS 160.32(e)										
Has the Trustee implemented the restoration plan?	SPS 160.32(f)										
<p>The Trustee's restoration plan must outline:</p> <table border="1" data-bbox="107 797 1335 1230"> <tbody> <tr> <td data-bbox="107 797 1184 930">The Trustee's view of the likelihood that contributions will be made as recommended, taking into account the obligations of each employer sponsor under the governing rules of the fund, and the outcome of the Trustee's consultation with the employer-sponsor.</td> <td data-bbox="1184 797 1335 930" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 930 1184 1019">Any changes to the investment strategy of the fund determined by the Trustee to be necessary.</td> <td data-bbox="1184 930 1335 1019" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 1019 1184 1125">The likely impact on benefit payments during the period of the sub-plan.</td> <td data-bbox="1184 1019 1335 1125" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 1125 1184 1230">The process by which the actuary and the Board will monitor and review progress towards restoration of the fund to a satisfactory financial position.</td> <td data-bbox="1184 1125 1335 1230" style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>	The Trustee's view of the likelihood that contributions will be made as recommended, taking into account the obligations of each employer sponsor under the governing rules of the fund, and the outcome of the Trustee's consultation with the employer-sponsor.	<input type="checkbox"/>	Any changes to the investment strategy of the fund determined by the Trustee to be necessary.	<input type="checkbox"/>	The likely impact on benefit payments during the period of the sub-plan.	<input type="checkbox"/>	The process by which the actuary and the Board will monitor and review progress towards restoration of the fund to a satisfactory financial position.	<input type="checkbox"/>	SPS 160.33		
The Trustee's view of the likelihood that contributions will be made as recommended, taking into account the obligations of each employer sponsor under the governing rules of the fund, and the outcome of the Trustee's consultation with the employer-sponsor.	<input type="checkbox"/>										
Any changes to the investment strategy of the fund determined by the Trustee to be necessary.	<input type="checkbox"/>										
The likely impact on benefit payments during the period of the sub-plan.	<input type="checkbox"/>										
The process by which the actuary and the Board will monitor and review progress towards restoration of the fund to a satisfactory financial position.	<input type="checkbox"/>										

SPS 160 Defined Benefits – Assessment Checklist

Compliance requirement	Obligation	Comply? (Yes/ No or N/A)	Rationale in support of conclusion (include relevant <u>dates</u>)								
<p><u>Self-insurance</u></p> <p><i>Only applies if the Trustee self-insures. It does not currently self-insure.</i></p> <table border="1" data-bbox="107 566 1335 1015"> <tr> <td data-bbox="107 566 1184 670">Does the Trustee maintain reserves or have other arrangements approved by APRA in place to fund current and future self-insurance liabilities?</td> <td data-bbox="1184 566 1335 670" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 670 1184 774">Has the Trustee attested, in the previous year, that, in formulating and maintaining its policy in relation to self-insurance, the Trustee continues to act in the best interests of beneficiaries?</td> <td data-bbox="1184 670 1335 774" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 774 1184 911">Does the Trustee have a contingency plan for an orderly transfer of insurance assets and obligations, for activation in the event that the Board has decided that, by self-insuring benefits, the Trustee is no longer acting in the best interest of beneficiaries as a whole.</td> <td data-bbox="1184 774 1335 911" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 911 1184 1015">The process by which the actuary and the Board will monitor and review progress towards restoration of the fund to a satisfactory financial position.</td> <td data-bbox="1184 911 1335 1015" style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Does the Trustee maintain reserves or have other arrangements approved by APRA in place to fund current and future self-insurance liabilities?	<input type="checkbox"/>	Has the Trustee attested, in the previous year, that, in formulating and maintaining its policy in relation to self-insurance, the Trustee continues to act in the best interests of beneficiaries?	<input type="checkbox"/>	Does the Trustee have a contingency plan for an orderly transfer of insurance assets and obligations, for activation in the event that the Board has decided that, by self-insuring benefits, the Trustee is no longer acting in the best interest of beneficiaries as a whole.	<input type="checkbox"/>	The process by which the actuary and the Board will monitor and review progress towards restoration of the fund to a satisfactory financial position.	<input type="checkbox"/>	SPS 160.36		
Does the Trustee maintain reserves or have other arrangements approved by APRA in place to fund current and future self-insurance liabilities?	<input type="checkbox"/>										
Has the Trustee attested, in the previous year, that, in formulating and maintaining its policy in relation to self-insurance, the Trustee continues to act in the best interests of beneficiaries?	<input type="checkbox"/>										
Does the Trustee have a contingency plan for an orderly transfer of insurance assets and obligations, for activation in the event that the Board has decided that, by self-insuring benefits, the Trustee is no longer acting in the best interest of beneficiaries as a whole.	<input type="checkbox"/>										
The process by which the actuary and the Board will monitor and review progress towards restoration of the fund to a satisfactory financial position.	<input type="checkbox"/>										

SPS 160 Defined Benefits – Assessment Checklist

Compliance requirement	Obligation	Comply? (Yes/ No or N/A)	Rationale in support of conclusion (include relevant <u>dates</u>)						
<table border="1"> <tr> <td data-bbox="107 464 1184 565">Has the Trustee ensured the ongoing actuarial oversight of the reserves and self-insurance arrangement via, at a minimum, regular actuarial investigation?</td> <td data-bbox="1184 464 1335 565" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 565 1184 665">Does the actuarial review provide sufficient information about the maintenance of adequate insurance reserves or other arrangements for funding of self-insured benefits?</td> <td data-bbox="1184 565 1335 665" style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="107 665 1184 802">Does the actuarial review provide sufficient information on the self- insurance arrangements to demonstrate the extent and adequacy of the actuarial oversight undertaken on these arrangements.</td> <td data-bbox="1184 665 1335 802" style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Has the Trustee ensured the ongoing actuarial oversight of the reserves and self-insurance arrangement via, at a minimum, regular actuarial investigation?	<input type="checkbox"/>	Does the actuarial review provide sufficient information about the maintenance of adequate insurance reserves or other arrangements for funding of self-insured benefits?	<input type="checkbox"/>	Does the actuarial review provide sufficient information on the self- insurance arrangements to demonstrate the extent and adequacy of the actuarial oversight undertaken on these arrangements.	<input type="checkbox"/>	SPS 160.37		
Has the Trustee ensured the ongoing actuarial oversight of the reserves and self-insurance arrangement via, at a minimum, regular actuarial investigation?	<input type="checkbox"/>								
Does the actuarial review provide sufficient information about the maintenance of adequate insurance reserves or other arrangements for funding of self-insured benefits?	<input type="checkbox"/>								
Does the actuarial review provide sufficient information on the self- insurance arrangements to demonstrate the extent and adequacy of the actuarial oversight undertaken on these arrangements.	<input type="checkbox"/>								

Annexure 2 Policy Review Checklist

Source	Changes since previous annual review (Version 4)
Trust Deed	
Trust Deed (excl Schedules)	NA
Caulfield Grammer Rules	NA
GGS Rules	NA
Xavier Rules	NA
New DB plans introduced	NA
Constitution	
Constitution	NA
RSE Licence	
RSE Licence	NA
AFSL	
AFSL	NA
Relevant Law	
SIS	NA
SIS Regs	NA
SPS 160	NA
SPG 160	NA
APRA Reporting	NA

Other standards	Have been minor changes to numerous Standards, but irrelevant for this
APRA investigations etc	NA
Corporations Act	NA
Vic Trust Law	NA
Other	NA
Third party provider recommendations	
Actuary	
Lawyers	NA
Other	
Internal recommendations/reports	
December 2023 and 2024 Board Papers	NA
Changes to Charters/Policies that could impact the DB Policy	
Charters	NA (Please note, for this initial review – the current Charters were reviewed, rather than any changes that may have been made to the Charters over the previous 2 years).
Policies	NA (Please note, for this initial review – the current Policies were reviewed, rather than any changes that may have been made to the Policies over the previous 2 years).
Other	
CPS 230	NA
Notes	
Taxation issues (if any) are not considered.	