



Defined Benefit Member Guide | March 2021

Xavier College

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1. Introduction

This Guide has been prepared to assist you in understanding your defined benefits in the Xavier College Defined Benefit sub-plan (sub-plan) of Prime Super (Fund).

The information in this Guide describes the benefit to which you or your dependants are generally entitled, however, this Guide does not override or replace the provisions of the Trust Deed or Insurance Policy.

The sub-plan is closed to new Defined Benefit Members.

You should read and consider this Defined Benefit Member Guide in conjunction with the *Product Disclosure Statement – Education Division*. The information contained in this Defined Benefit Member Guide is of a general nature only and does not take into account your personal financial situation, needs or objectives. You should seek independent personal financial advice if you have any queries. Information contained in this Guide is accurate at the time of publication and may change from time-to-time. Prime Super also does not guarantee the performance of your investment, or any particular rate of return on contributions made to the Fund (which may impact the solvency of the sub-plan). An up to date copy of these documents is available at primesuper.com.au or by calling 1800 675 839.

Prime Super has arrangements with Link Advice Pty Limited ABN 36 105 811 836 AFSL 258145 for them to provide limited financial advice to you. Prime Super is not licensed to provide, and does not provide, personal financial product advice and does not have any liability for, or guarantee, the advice provided to you by Link Advice.

call 1800 675 839
visit primesuper.com.au
email administration@primesuper.com.au


primesuper
surprisingly straightforward

2. About Prime Super

Prime Super is an independent profit-to-members superannuation fund. We take the complexity out of super and investments so that you can get on with what matters to you.

Prime Super offers straightforward superannuation solutions to empower you to grow, manage and protect your wealth and retirement income. Prime Super has provided superannuation products and services for more than 25 years.

Prime Super is open to everyone and offers a choice of investment and insurance options. Prime Super manages approximately \$5.2 billion in funds under management for approximately 128,000 members.

Prime Super is managed by a trustee company, Prime Super Pty Ltd (Trustee) and its Board of Directors (Prime Super Pty Ltd ABN 81 067 241 016 AFSL 219723 RSE L0000277 as Trustee of Prime Super ABN 60 562 335 823 RN 1000276).

Prime Super is governed by a Trust Deed which sets out the entitlements of members and the obligations of the Trustee. Further details about the Trust Deed, the Board and Prime Super's operations are available at primesuper.com.au/governance.

3. How super works – Defined Benefit members

The Defined Benefit sub-plan provides Defined Benefit Members with retirement benefits computed using a formula that considers some factors. For example:

- how long you have worked for your employer or been a Member of the sub-plan
- a percentage of your final average salary for each year of service
- your average salary over a specified number of years, at the relevant time, such as on retirement.

The advantage of defined benefits is that your retirement payment is aligned to your recent salary earnings, rather than investment earnings of a fund over a period of years, thereby giving you the potential to plan for your retirement.

Nominating beneficiaries

Who receives your Death benefit when you die depends on the law and what you instruct us to do. You have two options:

1. Do nothing, in which case the law requires us to pay your benefit to your eligible dependants (set out below) or legal personal representative (being the executor or administrator of your estate) or to another person as required by law, or
2. Complete a Nomination of beneficiaries form to make either a 'preferred' or 'binding' nomination as to who receives your benefit in the event of your death.

Preferred beneficiaries

These are people who you would prefer to receive your Death benefit should you die while a member of Prime Super. The Trustee will take your preference into account when making a payment but ultimately decides who should receive your Death benefit according to super law.

Binding beneficiaries

If you would like more certainty over who will receive your Death benefit, you should make a binding nomination. A binding nomination is legally binding and sets out the dependants and/or legal personal representative that you would like to receive your Death benefit. This means that upon your death, your benefit will be paid to those people you want to receive it, as long as your nomination is valid, and the people you have nominated qualify as dependants (see the following section "Who is a dependant?") or your legal personal representative (as defined under super law) at the time of your death, as defined under super law.

You can choose between two types of binding Death benefit nominations: binding and non-lapsing binding.

A binding nomination is only valid for three years and overrides any preferred nomination that you may have made. The Trustee will notify you in writing when your nomination is due to expire, so that you have the chance to update or change it before prior to previous nomination expires. You can do so by completing a Nomination of Beneficiaries form. You will need to inform us in writing if you would like to cancel your binding beneficiary nomination.

A non-lapsing binding nomination is enduring. This means it does not expire. It also overrides any preferred nomination that you may have made. The Trustee will write to you every three years to remind you of your non-lapsing binding beneficiary nomination so you can update your nomination if your circumstances have changed. You can do so by completing a Nomination of Beneficiaries form.

If you want to cancel your non-lapsing binding beneficiary nomination, you need to inform us in writing.

Who is a dependant?

Under super law, a dependant includes:

- a spouse (including same-sex partners), regardless of whether the spouse is financially dependent on you. A spouse also includes a de facto partner, meaning a person who although not legally married to you, lived with you on a genuine domestic basis at the time of your death
- a child, of any age including a biological, adopted, or stepchild, regardless of whether the child was financially dependent on you
- any person who was financially dependent on you at the time of your death, and
- a person with whom you have an interdependent relationship. Two people may have an interdependent relationship if:
 - they have a close personal relationship
 - they live together
 - one or each of them provides the other with financial support, and
 - one or each of them provides the other with domestic support and personal care.

An interdependent relationship may also exist where there is a close personal relationship between two people who do not satisfy other criteria because either or both of them suffer from a physical, intellectual or psychiatric disability. Examples of interdependent relationships may include:

- siblings who reside together
- an adult child who resides with, and cares for, an elderly parent.

Accessing your super

Your super is money put aside or 'preserved' for your retirement and rules apply as to how and when you can access it (conditions of release). Generally, you can gain access to your super once you have reached your preservation age (see table below) and retired from the workforce. Your preservation age is based on your date of birth.

You will be eligible to access your super when you meet one or more of the following criteria or any other condition of release:

- you have reached age 65 (regardless of your employment status)
- you have reached age 60 and ceased an employment arrangement that meets the relevant requirements
- you have reached your preservation age and have permanently retired from the workforce
- the portion of your super you wish to access is classified as unrestricted non-preserved
- you meet the criteria for early release of your benefit

Date of Birth	Preservation age
Prior to 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

Classification of super benefits

The classification of your super benefits also plays a role in determining when you can access your benefits.

Preserved benefits

These include all contributions (as well as any voluntary contributions you make) and earnings paid or accrued since 1 July 1999. Preserved benefits may only be accessed when you reach preservation age and have retired, or meet a relevant condition of release.

Restricted non-preserved benefits

Contributions made to your account prior to 1 July 1999 may be classified in this way. These funds are not preserved but cannot be withdrawn until you leave your job with your current employer or are otherwise eligible to take a benefit from Prime Super.

Unrestricted non-preserved benefits

Any unrestricted non-preserved benefits can be paid to you on request. There are no restrictions concerning age, work or financial situation.

Administration, insurance, & investment expenses

All administration and insurance expenses are met from the sub-plan.

4. Benefits of investing with Prime Super

At Prime Super we are committed to helping you grow, manage and protect your wealth and retirement income at every stage of your life.

As a Prime Super member, you will enjoy access to qualified financial planners to help you with making decisions about your super, including contributions, investment strategies and insurance.

Communications

As a member of Prime Super, you can expect to receive regular communications about Prime Super and your super account to help you manage and grow your retirement savings.

Prime Super may deliver communications and disclosure documents electronically from time to time. You will be notified when those documents are available. You will also have access to:

- Prime Super's Annual Report that details Prime Super's performance, management and operations for the previous financial year. The latest Annual Report is available at primesuper.com.au or phone us on **1800 675 839** to have a copy sent to you
- your annual statement that provides an overview of your super account for the financial year. This statement details your transactions, insurances, investment performance and beneficiaries.

We will notify you of any significant or material changes that occur to Prime Super, to the rights of members or to participating employers. Notification may be included in the Annual Report, a newsletter, a new Product Disclosure Statement (PDS) or through a Significant Event Notice.

All Significant Event Notices will be posted on Prime Super's website. If fees increase, you will be provided with at least 30 days written notice. Insignificant or immaterial changes will be advised through our website, newsletter or the Annual Report.

Financial advice

As a Prime Super member, you have access to advice relating to your super, insurances and your overall financial position.

Your individual circumstances will determine which type of advice you require, either general or limited advice. General advice and limited advice are provided at no additional cost to members. Contact us on **1800 675 839** for more information.

General advice

General advice is information in relation to your super account. This type of advice is of a general nature only and will not take into account your personal objectives, financial circumstances or needs. This type of advice would generally be provided by our customer service staff or our relationship managers.

Limited advice

Limited advice is available at no additional charge from qualified financial advisers within our Member Solutions team. They can assist you with making decisions about your super, for example, making contributions to your Prime Super account.

You can find a member consultant at primesuper.com.au/find-local-consultant.

Our limited advice service is provided under an arrangement with Link Advice Pty Limited (AFSL 258145), which will provide you with a Statement of Advice.

Important: The Trustee is not licensed to provide personal financial product advice and does not have any liability for, or guarantee, the advice provided by Link Advice.

5. Contributions

Am I required to contribute?

You will be required to contribute by pay-roll deduction the percentage of your Annual Salary specified in the Schedule until your Normal Retirement Date specified in the Schedule. These contributions will cease when you cease employment with your employer or at your Normal Retirement Date even if you remain employed with a relevant employer. These contributions can be made from your pre-tax salary as part of your remuneration.

Can I make additional contributions?

You can make additional contributions by either:

1. Additional Deductions from Taxable Salary

Further contributions may be made by deduction from your after-tax salary (non-concessional contributions). You may vary the amount of these contributions with the consent of your employer.

These contributions will be credited to your accumulation account, but will not form part of your Defined Benefit sub-plan.

2. Remuneration arrangements with your employer

You may arrange with your employer for your employer to make additional contributions as part of your remuneration, i.e. additional contributions from your before-tax salary (concessional contributions).

These contributions will be credited to your accumulation account, but will not form part of your Defined Benefit sub-plan.

3. Concessional and non-concessional contributions

Refer to the *Member Guide – Education Division* for further information on making additional concessional and non-concessional contributions to super.

Employer contributions

Your employer contributes an amount which, when added to Member contributions, will be sufficient to provide the benefits and meet the expenses of administration and insurance.

The amount of your employer's contributions is influenced by the sub-plan's rates of investment return and your salary growth and will vary over time. The contributions of your employer do not directly determine your member benefit entitlements, as your entitlements are formula based and linked with your salary or final average salary, being a defined benefit based on your Retirement Benefit Factor.

Your employer may also make additional Award and SG Top-Up contributions to the Fund on your behalf (refer to the Schedule for further information on the applicable contribution rates).

6. Benefits

The benefits described in this section are before any deduction for tax.

What benefit do I receive at retirement?

The Normal Retirement Date and Early Retirement Date are set out in the Schedule.

The following description of the Retirement Benefit analyses how the benefit is calculated and the method of payment.

Calculating benefit payments

Retirement from age 55 to age 65

A benefit payment is generally calculated as follows:

Retirement Benefit Factor X Final Average Salary

Please refer to the Schedule for full details.

Payment of the benefit

On satisfying a relevant condition of release, such as reaching age 65, you can elect to receive your benefit as a super lump sum.

Where you retire after preservation age, but before age 65, you can elect to receive your benefits as a super lump sum or transfer your benefits to an accumulation account in a complying super fund.

You should obtain advice from a professional personal financial adviser before making a decision on payment of your super benefits.

If you continue employment after age 65 you may request payment of your benefit at age 65. If your benefit is not paid out at age 65 you will receive your benefit with investment earnings up to the actual date of your retirement.

While your benefit is part of the defined benefit category it is calculated based on agreed formulas. Once your benefit is crystallised and moves into the Accumulation category it will become subject to investment market movement.

To protect against market movement and, in particular, market losses, the crystallised defined benefit balance is held in the cash investment option from the date the benefit is calculated, until such time as you make an investment choice.

7. How is super taxed?

Tax File Numbers (TFNs)

The Trustee is authorised by law to collect your TFN under the *Superannuation Industry (Supervision) Act 1993 (Cth)*. The Trustee will only use your TFN for lawful purposes, including identifying or finding your lost super benefits, merging accounts within Prime Super, calculating tax on payments and providing information to the Australian Taxation Office (ATO). These purposes may change in the future as a result of legislative change. By law, we may disclose your TFN to another super fund, when your benefits are being transferred, unless you request otherwise in writing.

It is not an offence to withhold your TFN, however if we do not have your TFN we may have to pay extra income tax on contributions your employer makes for you (including any salary sacrificed contributions) and may take this extra money out of your super account. Further, we may not be able to accept some contributions.

Your annual member benefit statement shows whether you have supplied us with your TFN. If you have not supplied us with your TFN and you would like to do so, call us on 1800 675 839.

Tax on contributions

Concessional contributions

Concessional contributions include all contributions made from your before-tax salary, including salary sacrifice contributions and employer SG contributions. They are contributions for which a tax deduction has or will be claimed. Concessional contributions attract 15% tax.

Concessional contribution caps

Contributions made to the Fund by an employer in respect of Defined Benefit Members are generally not referable to a particular member. As such, Prime Super will determine the notional taxed contributions for each member with a defined benefit interest for each financial year, and report them as notional taxed contributions to the ATO. These contributions will count towards your concessional contributions cap (currently at \$25,000).

Grandfathering arrangements in relation to calculating a member's notional taxed contributions may apply in respect of a member who had a defined benefit interest in the Fund or a "previous fund" for grandfathering purposes prior to 12 May 2009. Prime Super will determine which accounts are eligible for grandfathering.

Where an account is eligible, the amount of notional taxed contributions will be capped at the Member's concessional contribution cap and there are special rules to determine their notional taxed contributions. This may mean that members' notional taxed contributions may be taken to be at, but not in excess of, the maximum level of their concessional contributions cap.

If grandfathering arrangements do not apply to a member, the notionally taxed contributions are not capped at the member's concessional contributions cap.

Tax on benefit payments

Tax payable on a super benefit payment (or withdrawal) is deducted from the benefit before it is paid to a member. Super benefits are made up of two components – a tax-free and a taxable component.

Tax free component

The tax free component is money that is tax free when withdrawn from your super. Usually this is where the contribution was made from money you have paid income tax on (unless you have claimed a tax deduction for it).

Taxable component

The taxable component is money that is taxable when withdrawn from your super. The taxable component is further broken down into two other parts:

1. A taxed element – where tax has already been paid on the money in the Fund, and
2. An untaxed element – generally a super benefit containing an untaxed element is most commonly paid by a public sector super fund for Commonwealth, State and Territory government departments. A super death benefit may also have an untaxed element where the benefit includes an amount from an insurance policy and tax deductions have been claimed by the fund in respect of the insurance premiums on the policy.

If you are eligible to make a withdrawal from your super, the amount of tax you pay will depend on your age, the components of your benefit, whether you withdraw your benefit as a lump sum or an income stream and whether your super fund has already paid tax on the withdrawal amount.

Age (years)	Taxable component of taxed element	Maximum tax rate	Taxable component of untaxed element	Maximum tax rate
60 and above	Non-assessable non-exempt income	0%	First \$1.565 million (untaxed plan cap)	15%
			Balance over \$1.565 million (untaxed plan cap)	45%
Preservation age to 59	First \$215,000 (low rate cap)	0%	First \$215,000 (low rate cap)	15%
	Balance over \$215,000 (low rate cap)	15%	\$215,000 (low rate cap) to \$1.565 million (untaxed plan cap)	30%
			Balance over \$1.565 million (untaxed plan cap)	45%
Below preservation	Whole component	20%	First \$1.565 million (untaxed plan cap)	30%
			Balance over \$1.565 million (untaxed plan cap)	45%

The rates above do not include the Medicare levy and are shown for the 2020-21 financial year.

The Untaxed plan cap amount:

- limits the concessional tax treatment of benefits that have not been subject to contributions tax in a super fund
- applies to each super fund from which a person receives super lump sum member benefits
- is used to calculate the excess untaxed roll-over amount.

Low Rate Cap

The Low Rate Cap is an amount that applies if you reach your preservation age but are under age 60. It is a limit on the amount of taxable components (taxed and untaxed elements) that can be taxed at a concessional (lower) rate. It is a lifetime cap, which is reduced by any taxable component you receive from a super fund after you reach your preservation age. Once you reach the low rate cap, any further money you withdraw as a lump sum is taxed at a different rate.

Tax on Death, TPD & Terminal Illness benefits

If your lump sum Death benefit is paid to a person who is considered a dependant for tax purposes, the payment is tax-free. However, where it is paid to a non-dependant, tax is payable on the taxable component of the lump sum at 15% plus the Medicare levy. Any untaxed element of the benefit will be taxed at 30% plus the Medicare levy. This amount is deducted from the Death benefit before it is paid to the non-dependant.

Terminal Illness benefits paid to members are tax-free.

Tax on Income Protection benefit payments

Tax rules apply to the treatment of Income Protection benefit payments. Contact the ATO on 13 28 65 for details.

8. Additional Information

Privacy

Privacy laws regulate, among other matters, the way we collect, use, disclose, keep secure and give access to personal or sensitive information. You or your employer will provide personal and/or sensitive information about you to the Trustee for the purpose of establishing and administering your membership in Prime Super. This personal and/or sensitive information may include your name, address, date of birth, telephone number, email address, tax file number, health condition and your nominated beneficiaries, if these details have been provided. The Trustee may use your personal and/or sensitive information for related purposes and may disclose your information to ensure the efficient management of your membership in Prime Super. From time to time we may collect personal or sensitive information about you from a third party, such as your employer or another entity involved in activities related to your membership in Prime Super. We will only use your personal or sensitive information for the purpose of administering, or for purposes related to the efficient management of, your membership in Prime Super.

The Trustee may conduct direct marketing or send out promotional material that it believes may be of interest to you as a member. You may tell us at any time if you do not wish to receive such material by contacting us. Full details of how we collect and disclose your personal or sensitive information are in a Privacy Policy published by the Trustee. A copy of this Privacy Policy can be obtained free of charge from primesuper.com.au. In summary, the Privacy Policy contains information about how:

- the Trustee collects, holds, uses and discloses personal or sensitive information
- you can access your personal or sensitive information that is held by the Trustee
- you can correct your personal or sensitive information, and
- you can lodge an enquiry or complaint about a breach of the Australian Privacy Principles (APPs) and how the Trustee deals with these.

The Trustee collects personal or sensitive information about you that is reasonably necessary for the functions and activities of Prime Super, including for the purpose of:

- processing your enrolment and benefits in Prime Super (in accordance with the *Superannuation Industry (Supervision) Act 1993 (Cth)*)
- administering and managing your membership in Prime Super, including processing your superannuation and insurance benefits, investing Prime Super assets, processing your death benefit should you die, and assessing claims or complaints related to your benefits in Prime Super
- correcting your personal or sensitive information
- managing your participation in Prime Super and communicating with you about Prime Super
- providing you with information about other products or services that may be of assistance to you
- using and disclosing personal, but not sensitive, information for direct marketing, and
- facilitating business operations, including the fulfilment of any legal requirements.

If you do not provide the personal or sensitive information sought from time to time, it may mean that your enrolment or a request relating to your benefits in Prime Super cannot be processed, or that services cannot be provided to you. In general, the Trustee may disclose your personal or sensitive information (as reasonably necessary):

- to its agents, contractors, or third party service providers that provide administrative, custodial or other services in connection with the operation of Prime Super or its business (e.g. Prime Super's Administrator)
- to an Insurer where insurance services are arranged in connection with Prime Super
- to any new Trustee of Prime Super as may be appointed from time to time
- to any party that holds amounts on your behalf that will be transferred to Prime Super
- where a court/tribunal order or the law requires or permits us to do so (e.g. to Regulators and law enforcement agencies)
- to offshore locations only for the purpose of administering your membership in Prime Super, where our service providers have offices or agents situated overseas, including (where applicable) the United States, Canada, France, Germany, Singapore, India, Ireland, South Africa, Hong Kong, the Philippines
- under any circumstances that are permitted or required under the APPs.

For more information on privacy or to obtain a copy of the Privacy Policy contact us at administration@primesuper.com.au or phone 1800 675 839.

Trust Deed

Prime Super is governed by a Trust Deed which, amongst other things, sets out the entitlements of members and the obligations of the Trustee. A copy of our Trust Deed is available at primesuper.com.au/governance.

Anti-Money Laundering and Counter Terrorism Financing

The Trustee is obligated to comply with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth)* (AML/CTF). In this regard, the Trustee is required to maintain a program that identifies, mitigates and manages money laundering and counter-terrorism risks associated with its business. As a result:

- we may require you to provide additional information to verify your identity before providing services to you
- transactions may be delayed or refused where there are reasonable grounds to believe that the transaction breaches AML/CTF or any other Australian law, and
- where transactions are delayed or refused, we are not, subject to applicable law, liable for any loss you suffer howsoever caused.

From time-to-time, we may be legally required to disclose the information provided by you to regulatory and law enforcement agencies, including the Australian Transaction Reports and Analysis Centre.

Trustee liability insurance

The Trustee has liability insurance to protect it and the Directors against any losses arising as a result of a claim for a breach of their duties.

Conflicts of interest

The Trustee has established procedures to ensure that any conflict of interest in respect of the Directors is disclosed and appropriately dealt with.

Service providers

The Trustee uses a range of service providers to look after Prime Super and its investments. Information on each of the material service providers is detailed in the Prime Super Annual Report.

Change of contact details

It is important that you let us know when you change your contact details. We can only send you information about Prime Super and your membership if we have your current contact details. Update your personal details by calling us on 1800 675 839.

Management of Prime Super

The Trustee is responsible for managing Prime Super. The Directors of the Trustee meet regularly to discuss the management of Prime Super and determine important policies and procedures. Directors receive fees and are reimbursed for travelling expenses for attending Board and committee meetings. Directors are nominated and appointed by the Board of the Trustee.

The Trustee has a constitution containing rules for the appointment and removal of Directors. The current Directors and their dates of appointment are outlined below. **Note:** Prime Super Directors may change from time to time.

Nigel Alexander	Chairman	1 January 2020
Ben Davis	Director	28 August 2019
Martin Day	Director	28 October 2014
Allison Harker	Director	26 August 2020
Jacqueline Kelly	Director	24 February 2015
Brett Lazarides	Director	1 January 2019
Gerard Parlevliet	Director	22 June 2017
Matthew Scholten	Director	1 January 2019
Gavin Watson	Director	1 January 2019

Enquiries and complaints

If you wish to lodge a complaint about the Fund or its administration, please direct your communication to:

The Complaints Officer
 Prime Super
 Locked Bag 5103
 Parramatta NSW 2124
 Phone: 1800 675 839 | International: +61 2 9374 3967
 Email: administration@primesuper.com.au
 Web: primesuper.com.au

We try to respond to all queries and any complaints as efficiently as possible, and aim to respond to you within 15 days for straightforward issues. For more complex matters, we aim to resolve your complaint within 90 days, and will update you every 28 days on the progress of your complaint.

Should you be unsatisfied with our response to your enquiry or complaint, or if you do not receive our reply within 90 days, you can contact the Australian Financial Complaints Authority (AFCA) to have your concern reviewed.

Australian Financial Complaints Authority
 GPO Box 3 Melbourne VIC 3001
 Phone: 1800 931 678 (free call)
 Email: info@afca.org.au
 Web: afca.org.au

AFCA is an independent body established to resolve superannuation and advice complaints of members and beneficiaries. AFCA provides fair and independent financial services complaint resolution that is free to consumers. There are time limits for lodging certain complaints. This includes complaints about the payment of a death benefit. If you're unhappy with Prime Super's proposed distribution you must lodge an objection with us within 28 days. If you're unhappy with our final distribution decision you must complain to AFCA within 28 days of being notified of the final decision to pay the death benefit.

9. Schedule

Xavier College Defined Benefit Sub-Plan

Item 1 – Contributions

The following contributions are generally payable in respect of members of the specified sub-plan, subject to the governing rules of the Fund.

(a) Member contributions

Subject to the Fund deed, each Defined Benefit Member will contribute 5% of their Annual Salary as determined from time to time from their after-tax salary. With the agreement of the College, your contributions of 5% of your Annual Salary can be made from your before-tax salary (salary sacrifice) as part of your remuneration. Where these contributions are made from before-tax salary, the amount deducted from your before-tax salary will be 5.88% of your Annual Salary to allow for the 15% tax payable on contributions from before-tax salary when received by the sub-plan.

(b) Employer contributions

Subject to the Fund deed, the College will generally contribute as determined by the actuary from time to time in respect of Defined Benefit Members.

(c) Award contributions

In addition to the contributions required to provide the defined benefits, the College will make Award contributions of 2.5% of Ordinary Time Earnings (OTE) for each member to the Fund or another fund. The Award contributions, less tax on contributions, will be credited to your accumulation account to accumulate with investment earnings (which may be positive or negative) at rates declared by the Trustee from time to time, to be payable in addition to your defined benefit. These contributions do not form part of the Defined Benefit sub-plan.

(d) Superannuation Guarantee (SG) Top-Up contributions

The College will also make SG Top-Up contributions of 7% of the excess of OTE over Annual Salary during any periods that OTE exceeds Annual Salary. The SG Top-Up contributions, less tax on contributions, will be credited to your accumulation account to accumulate with investment earnings (which may be positive or negative) at rates declared by the Trustee from time to time, to be payable in addition to your defined benefit. These contributions do not form part of the Defined Benefit sub-plan.

Item 2 – Retirement Dates

(a) Normal Retirement Date

Means the Member's 65th birthday

(b) Early Retirement Date

Means the Member's 55th birthday

Item 3 – Retirement Benefit Factor

Member Category	Benefit Multiple for Each Year (Calendar Months Count Pro-Rata) of Eligible Service
Contributory	17%
Non-Contributory	7%

Retirement Benefit Factor is calculated as:

17% for each year (months count pro-rata) of Eligible Service as a contributory member; plus

7% for each year (months count pro-rata) of Eligible Service as a non-contributory member.

Final Average Salary means the average of a member's Annual Salary at 1 January in the three years immediately preceding the date of retirement.

Annual Salary means the annual amount of remuneration certified by the College to be the member's Salary as if the member was employed on a full time basis. Annual Salary includes PORs of an annual nature, such as Year Level Co-ordinators, subject co-ordinators etc, but does not include an allowance that only covers part of a year, eg. MIC Cricket).

Eligible Service means the period of membership of the sub-plan in years (complete calendar months count pro-rata) but in the event of Death or Permanent Incapacity before Normal Retirement Date, the period of membership is between the date of becoming a Member of the sub-plan and the Member's Normal Retirement Date. Membership of previous funds also counts.

Ordinary Time Earnings (OTE) means earnings in respect of ordinary hours of work. It is generally the same as Annual Salary but may be higher than Annual Salary where allowances are paid for part of a year and not included in Annual Salary.

Your benefit on or before Normal Retirement Date

Your retirement benefit where you retire after reaching age 55 and up to your Normal Retirement Date is:

$$\text{Retirement Benefit Factor} \times \text{Final Average Salary}$$

You will also receive your accumulation account balance, made up of any voluntary contributions, Award contributions, SG Top-Up contributions and rollover benefits, less tax on contributions, with investment earnings (which may be positive or negative) on these amounts at rates declared by the Trustee from time to time.

Example:

Harry joins the Fund at age 35 and if Harry's Final Average Salary is \$80,000 and he retires at age 62 (after 27 years of contributory membership), his benefit is calculated as follows:

$$\begin{aligned} \text{Retirement Benefit Factor:} & \quad 17\% \times 27 \text{ years} = 4.59 \\ \text{Benefit payable:} & \quad 4.59 \times \$80,000 = \$367,200 \end{aligned}$$

He would also receive the total balance of his accumulation accounts made up of any voluntary contributions, Award contributions, SG Top-Up contributions and rollover benefits, less tax on contributions, with investment earnings (which may be positive or negative) on these amounts at rates declared by the Trustee from time to time.

Your benefits after reaching Normal Retirement Date

Your retirement benefit where you die or retire after reaching the Normal Retirement Date (age 65) is a lump sum benefit equal to the retirement benefit as at your Normal Retirement Date together with investment earnings (which may be positive or negative) at rates declared by the Trustee from time to time from the Normal Retirement Date to the date of actual retirement, plus your accumulation account balance, made up of any voluntary contributions, Award contributions, SG Top-Up contributions and rollover benefits, less tax on contributions, with investment earnings (which may be positive or negative) on these amounts at rates declared by the Trustee from time to time.

If you are still working after age 65, generally the College will need to contribute 9.5% of your OTE to this Fund or another fund. You will not be required to contribute, with any contributions you make being treated as voluntary contributions.

What benefit do I receive if I resign or am dismissed?

Your benefit entitlement from the sub-plan upon retirement, resignation, or dismissal prior to age 55 (for reasons other than disability) is:

10% of your Annual Salary for each year (months count pro-rata) of Eligible Service as a contributory member; plus

6% of your Annual Salary for each year (months count pro-rata) of Eligible Service as a non-contributory member.

For example, if you cease employment at age 40 after 20 years contributory membership, the benefit payable would be equivalent to twice your Annual Salary (20 X 10%).

You would also receive the total balance of your accumulation accounts made up of any voluntary contributions, Award contributions, SG Top-Up contributions and rollover benefits, less tax on contributions, with investment earnings (which may be positive or negative) on these amounts at rates declared by the Trustee from time to time.

Generally, your super benefits must be held in a complying super fund until you satisfy a condition of release, such as reaching preservation age and retiring. As such, any 'preserved' super benefits as at the date of your cessation of retirement must be transferred to an account in a complying super fund.

Superannuation guarantee minimum benefit

All benefits are subject to a minimum benefit calculated to meet the requirements to the SG legislation.

Are my benefits affected if I am absent on approved unpaid leave?

A period of absence from employment on approved unpaid leave is not recognised as a period of Plan Membership. During your absence you are not required to contribute to the sub plan. As such, the only entitlement you will accrue is investment earnings on your accumulation accounts made up of any voluntary contributions, Award contributions, SG Top-Up contributions and rollover benefits.

You will still be entitled to death and Total and Permanent Disability insurance cover while on unpaid leave. Your insurance cover for this period is equal to the amount of the benefit that would have been payable to you on the day prior to commencing leave, subject to any eligibility criteria and requirements set out in the Fund deed and the insurance policy.

Future entitlements would resume at normal rates upon your return to work, but your overall entitlements would reflect your absence on unpaid leave due to your reduced service period.

How are benefits adjusted to account for part-time employment?

Where you are employed on a part-time basis, your membership period in the sub-plan is reduced on a proportionate basis to reflect your remuneration during the relevant period of part-time employment as compared with the Annual Salary you would have earned had you been working full-time. For example, a year of membership as a part-time employee earning 50% of your Annual Salary if you were working on a full time basis is treated for benefit purposes as 6 months' membership.

What benefit would be payable in the event of my death?

If you die before age 65, a lump sum is payable to your super dependants or your legal personal representative calculated as:

Retirement Benefit Factor at age 65 x Final Average Salary

Your Final Average Salary is calculated on the basis that you would have remained in the sub-plan until your Normal Retirement Date with your Annual Salary unaltered. Therefore, your benefit on death is equivalent to the benefit that would have been payable had you continued in the sub-plan until retirement at age 65, without any further salary increases.

Your dependants will also receive your accumulation account balance, made up of any voluntary contributions, Award contributions, SG Top-Up contributions and rollover benefits, less tax on contributions, with investment earnings (which may be positive or negative) on these amounts at rates declared by the Trustee from time to time.

Example

For example, if a member joined the sub-plan at age 25 and their Retirement Benefit Factor at age 65 is 6.8 (17% x 40 years to age 65), and their annual salary is \$50,000, then the death benefit payable to the member will be \$340,000 (6.8 x \$50,000).

The member's dependants would also receive the total balance of their accumulation accounts made up of any voluntary contributions, award contributions, SG top-up contributions and rollover benefits, less tax on contributions, with investment earnings (which may be positive or negative) on these amounts at rates declared by the Trustee from time to time.

What benefit would I receive if I became permanently disabled?

On becoming Totally and Permanently Disabled in accordance with the governing rules of the Fund and the Insurance Policy, the Total and Permanent Disability Benefit payable is calculated as:

Retirement Benefit Factor at age 65 x Final Average Salary

Your Final Average Salary is calculated on the basis that you would have remained in the sub-plan until your Normal Retirement Date with your Annual Salary unaltered. Therefore, your benefit on Total and Permanent Disablement is equivalent to the benefit that would have been payable had you continued in the sub-plan until retirement at age 65, without any further salary increases.

Your Total and Permanent Disability Benefit may be paid to you either in a single lump sum or in five annual instalments as determined by the Trustee at its discretion. This benefit is subject to acceptance of a claim by the Fund insurer.

In addition, you are entitled to receive the total balance of your accumulation account made up of any voluntary contributions, Award contributions, SG Top-Up contributions and rollover benefits, less tax on contributions, with investment earnings (which may be positive or negative) on these amounts at rates declared by the Trustee from time to time.

Income Protection insurance

Income Protection insurance is voluntary for Defined Benefit Members in this sub-plan. Where you elect to acquire Income Protection insurance through the Fund, the insurance premiums will be funded from your accumulation account in the Fund (they will not be deducted from the sub-plan).

Please refer to the PDS and **Member Guide – Education Division** for further details of your insurance benefits in the Fund, including income protection insurance (if applicable).

How is my benefit affected by investment earnings?

While your benefit is part of the defined benefit category it is calculated in accordance with the relevant benefit definition. However, from the date of termination from the defined benefit category your benefit is crystallised and becomes subject to investment market movement. To protect against adverse negative earnings the benefit is invested in the Cash option, until such time as you make an investment choice or withdraw your benefit.

Continuation of insurance protection

On leaving the sub-plan, your member account will be transferred to the Prime Super accumulation plan unless otherwise advised by you.

Unless you advise otherwise, your insurance cover at the date of leaving service will be maintained (subject to work tests for disability cover) and premiums will be deducted from your Accumulation Account.

The value of your insured benefit on your last day of service (Calculation Date) will be matched through the allocation to the nearest number of whole Units of cover (rounded up). Your Insured Benefit amount (Converted Cover) will be no less than Insured Benefit you had at the Calculation Date.

Further details will be provided by the Fund when you leave service.

You may cancel the insurance cover at any time by notifying the Fund in writing. If you cancel within 60 days of the notification of the conversion of cover, we will refund any premiums paid in respect of that cover from the date the Converted Cover commenced.

If you subsequently transfer all of your accumulated benefits out of Prime Super to another super fund, all insurance cover provided by Prime Super will cease.

Refer to the **Member Guide – Education Division** for further information on your insurance benefits and coverage.

We recommend you obtain financial advice specific to your circumstances prior to leaving the sub-plan.