Defined Benefit Scheme
Post-1988 account
For members who joined the fund after 1 July 1988

These Explanatory Notes provide a summary of your defined benefit account and should be read in conjunction with your benefit estimate or statement.

The following sections outline when a benefit may be payable to you, and your payment options. In the event of any inconsistency between this summary and the trust deed, the trust deed will prevail.

What is a defined benefit?

A defined benefit is where you are ultimately paid a benefit using a pre-determined formula usually linked to your salary. Salary refers to your base rate of pay and includes allowances that are regularly paid over a 52-week period but does not include reimbursements. Please refer to the trust deed for the full definition.

Your employer is required to contribute towards your defined benefit. Employer contributions are not allocated to individual member accounts, instead they are allocated to the defined benefit pool from which all of the fund's defined benefits are paid.

Member defined benefit contributions are included in the non-concessional contribution cap, however employer defined benefit contributions are classed as notional and are not included in the non-concessional contribution cap. For more information about the contribution caps, please refer to the fact sheet available on our website.

Generally you will also have an accumulation account which is designed to receive superannuation guarantee contributions paid by your employer. These contributions are based on your ordinary time earnings.

For more information about the features and conditions of your accumulation account please refer to the relevant Member Booklet available from aware.com.au/pds or call us on 1300 650 873.
The basics

Your benefits are calculated as:

\[ \text{Benefit multiple} \times \text{AFFS} = \text{your benefit} \]

The benefit that will be paid to you depends on the circumstance in which your benefit is taken. For example, resignation if you are under age 55, or retirement if you are age 55 or over. Your multiple is determined by your contribution rate and your years and completed months of membership at the date of the benefit estimate or statement. If you have worked on a part-time or casual basis, the accrual rate is multiplied by your service proportion for that period.

Benefit accrual rates based on contribution rates

<table>
<thead>
<tr>
<th>Contribution Rate</th>
<th>Resignation Multiple</th>
<th>Retirement Multiple (benefit accrual rate since 2002)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>4%</td>
<td>4%</td>
<td>4.5%</td>
</tr>
<tr>
<td>6%*</td>
<td>6%</td>
<td>10%</td>
</tr>
</tbody>
</table>

* 6% rate closed December 1993.
** For benefit accrual rates prior to this date refer to the trust deed which is available online or by contacting us.

Before withdrawing your benefit

You should seek up-to-date information from us as your benefit entitlements may change. Further, you can only withdraw your benefit if permitted under the trust deed and superannuation legislation. For details see Your benefit entitlements on this page.

If you change jobs

Your new employer is not obliged to contribute to your defined benefit account. Subject to approval of the trustee (at its discretion), your new employer may contribute to your defined benefit account if you provide them with your member number and contribution rate. If your new employer does not agree, your defined benefit account may cease. Please contact us on 1300 650 873 for further information.

When a benefit becomes payable

From the date you cease employment with your defined benefit employer, your lump sum will be updated with returns at the defined benefit rate of return until the effective date of closure of your account. The effective date of closure of your defined benefit account may be a date prior to the date of payment. Where deferred benefits are selected, you will receive a statement summarising your entitlement(s).

If a surcharge is deducted

If we receive a surcharge tax assessment from the Australian Taxation Office (ATO) relating to your defined benefit contributions, we deduct the surcharge from your accumulation account. Surcharge tax was abolished on contributions made after 30 June 2005, however assessments may still be received from the ATO after this date.
Your benefit entitlements

Payment of your benefit is subject to preservation rules and conditions of release. For more information read the Access to your super factsheet at aware.com.au/factsheets. Please note, the calculation of preserved amounts for defined benefit members differs from the standard information available on our website. Refer to your benefit estimate or statement for your preservation amounts.

These amounts assume that you have not stopped working for your employer. When you do, any amount noted as restricted non-preserved will be reclassified as unrestricted non-preserved and made available for you to withdraw (subject to the defined benefit rules).

Depending on your age, tax may be applicable on your benefits and will be deducted as required by law.

<table>
<thead>
<tr>
<th>Date of birth</th>
<th>Preservation age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1 July 1960</td>
<td>55</td>
</tr>
<tr>
<td>Between 1 July 1960 and 30 June 1961</td>
<td>56</td>
</tr>
<tr>
<td>Between 1 July 1961 and 30 June 1962</td>
<td>57</td>
</tr>
<tr>
<td>Between 1 July 1962 and 30 June 1963</td>
<td>58</td>
</tr>
<tr>
<td>Between 1 July 1963 and 30 June 1964</td>
<td>59</td>
</tr>
<tr>
<td>After 30 June 1964</td>
<td>60</td>
</tr>
</tbody>
</table>

If you resign before age 55

Your benefit will consist of two parts: a lump sum (payable immediately, subject to preservation rules) and a deferred lump sum, payable upon meeting a condition of release.

<table>
<thead>
<tr>
<th>Type</th>
<th>What is it?</th>
<th>Formula used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate</td>
<td>This benefit represents a percentage (0%, 3%, 4% or 6%) of your AFFS. This component is subject to preservation.</td>
<td>Resignation multiple x AFFS</td>
</tr>
<tr>
<td>Deferred</td>
<td>This benefit represents a portion of your retirement benefit. The deferred component cannot be taken in cash upon cessation of employment or rolled out of the fund. Deferred entitlements are updated twice a year in accordance with movements in the Consumer Price Index (CPI).</td>
<td>5% x (years and months of service less five years) x (Retirement multiple less resignation multiple) x AFFS</td>
</tr>
</tbody>
</table>

If you retire on or after age 55

You will receive a lump sum benefit (subject to preservation rules). This lump sum is calculated using the formula

\[ \text{Benefit multiple } \times \text{AFFS} = \text{your benefit.} \]

If you are retrenched before age 55

You will receive a lump sum instead of a resignation benefit (subject to preservation rules). It is calculated using the above formula.

If you die while an active Defined Benefit Scheme member

Your eligible dependants are entitled to a lump sum benefit. This is calculated by adding your accrued retirement benefit (at your date of death) to an amount projected through to age 60 (subject to your medical classification). If you are over 60, the lump sum benefit is your retirement benefit. If you have no eligible dependants, your resignation benefit is payable to the legal personal representative of your estate.

1 In some cases a minimum death benefit may apply.

If you become permanently disabled while an active Defined Benefit Scheme member

If you are age 60 or under, your benefit is calculated the same way as your death benefit, but paid to you as a fortnightly pension. If you are age over 60, you are entitled to your retirement benefit paid as a lump sum.

Beneficiary nominations

Defined benefit members can make binding death beneficiary nominations for the lump sum component of their account (excluding any lifetime pension). If there is a valid binding death benefit nomination in place at the time of death, we will pay a lump sum to each of the nominated beneficiaries in the proportions specified, provided the nomination remains valid.

A binding death benefit nomination:
- is valid for a period of three years if it is a lapsing nomination
- does not expire if it is a non-lapsing nomination
- is invalid if one or more beneficiaries die or no longer meet the definition of ‘dependant’ at the time of your death.

To make a binding nomination, download the form at aware.com.au/nominate or call us and we will send you the form. We also have forms to enable you to change, renew or cancel your nomination. Details of any binding beneficiaries will be shown on your next statement.
Who can receive a death benefit?
The person(s) you nominate under a binding nomination must be a ‘dependant’ (as defined by Commonwealth laws, including taxation and superannuation laws, and the fund’s trust deed) or your legal personal representative. Your legal personal representative is the executor or administrator of your estate.

Dependants can include one or more of the following at the time the trustee pays the benefit:
• your current spouse or de facto
• your children, including step, adopted and ex-nuptial children
• any person(s) financially dependent on you, or
• a person in an interdependency relationship with you.
For more information about dependants, call us on 1300 650 873.

Your estimated benefit entitlements
Your benefit estimate or statement provides an estimate of significant benefit entitlements. These estimates are indicative only and are not a guarantee of any particular benefit or amount. Any benefits paid are subject to preservation rules and are in addition to the superannuation guarantee contributions your employer pays into your accumulation account (if applicable).

Your transaction listing on your benefit estimate or statement
Your defined benefit member contribution amount, the salary upon which contributions were based, and the service proportion relating to that pay period, is listed on your benefit estimate or statement. If you work part time the salary is then divided by the service proportion to provide your equivalent full-time salary for that period. These figures are used to determine your defined benefit fund salary.

To calculate your AFFS, add your salaries from the last two years and divide by two. If a minimum 01/01/94 salary applies to you, this will be shown on your benefit estimate or statement.
If any of this information appears incorrect, please check with your employer.

We’re here to help
Contact us
Phone: 1300 650 873
8.30am to 6pm (AEST)
Monday to Friday
Int’l: +61 3 9131 6373
Email: enquiries@aware.com.au

Get advice
Phone: 1800 620 305
8.15am to 8.15pm (AEST)
Monday to Friday
Email: clientservicecentre@aware.com.au

Visit us
Come and see us at one of our local offices around Australia for help with your super account, including setting up your account online.
aware.com.au/locations

The percentage of full-time hours you work
If you do not work full time, the service proportion refers to your actual hours worked, divided by the prescribed full-time hours for the position.

If you work full time, the service proportion is 100%. Your service proportion is provided to us by your employer.

Fees and costs
There are no fees or costs payable by you directly or indirectly in relation to the Defined Benefit (Post-1988) account (other than fees associated with a Family Law matter).

Your employer meets all fees and costs associated with the Defined Benefit (Post-1988) account, including those associated with the purchase/sale and ongoing management of investments of the fund which support the payment of benefits. This includes fees paid to investment managers, as well as amounts paid to a variety of third parties such as our custodian, brokers and government authorities.