

Minutes

**Australia Post Superannuation Scheme (APSS)
Annual Members' Meeting held via Webex
on Thursday, 26 November 2020 from 5.30pm to 6.30pm**

**Directors
in attendance:**

Mark Birrell (Chair and Independent Director)

Employee Representative Directors:

**Greg Rayner,
Michael Tull,
Bryan Watkins**

Employer Representative Directors:

**Bridget Sebire,
Maria Wilton,
Silvio Santostefano**

**Executives and Other
Responsible Officers in
attendance:**

Stephen Milburn-Pyle, General Manager, Superannuation, Australia Post
Matthew Burgess, Actuary, Willis Towers Watson
Brett Kallio, External Auditor, Ernst & Young
Ian Tracey, Internal Auditor, KPMG
Catherine Elmes, Head of APSS Member Services
Neale Sturt, Head of APSS Finance & Operations
Alister Wong, Head of APSS Investments
Liz Tromans, Head of APSS Governance & Risk and Company Secretary,
PostSuper Pty Ltd

Agenda item 1 WELCOME & INTRODUCTION

At 5.32pm, Catherine Elmes opened the meeting and introduced the Chairman, Mark Birrell, who welcomed everyone in attendance to the inaugural annual members' meeting of the Australia Post Superannuation Scheme (APSS).

The Chairman acknowledged the Traditional Custodians of the land on which we operate, live and gather, throughout Australia and recognised their continuing connection to land, water and community and paid respects to Elders past, present and emerging. He also acknowledged the tribes of the Kulin Nation as the traditional owners of the country where he was situated in Melbourne.

The Chairman thanked members for their interest in attending the virtual meeting and introduced the other Directors on the Trustee Board, the senior members of the management team led by Stephen Milburn-Pyle, the Scheme Actuary and the Scheme Auditor.

The Chairman explained that there would be a report by the General Manager, Superannuation on the operations and performance of the APSS, which included an update on the APSS investment returns and the future investment outlook, followed by a question and answer session.

Agenda item 2

REPORT BY MARK BIRRELL, CHAIRMAN OF THE TRUSTEE

The Chairman's report included information on the following:

- the Trustee Board and the diverse experience, skills and knowledge of the Directors which were applied in a collaborative nature to govern the APSS for the sole purpose of the serving the financial interests of members and their dependants;
- the people involved in running the APSS, including the team led by the General Manager, Superannuation at Australia Post, the staff in the APSS contact centre and administration team at Link Group, and the advisers and investment firms engaged to deploy the fund's capital into the Australian and global markets;
- the extraordinarily challenging year for members who worked through bushfires, floods and a pandemic to deliver critical services to Australian communities and those members approaching or already in retirement, who may have wondered about the security of their savings at a time of economic uncertainty;
- the security and stability that the APSS Defined Benefits can provide to members employed by Australia Post and its associated companies because they are protected from investment risks (other than for the small number of members who have an attached offset account);
- the ability of the fund to continue to operate well without disruption notwithstanding the global market volatility experienced in February and March thanks to the stress tests, business continuity planning and risk analysis performed over prior years;
- an acknowledgement that waiting times in the contact centre were often longer than expected, especially through March and April, as a result of increased numbers of inquiries about investments, the government's early release scheme and other topics of concern to members;
- the web-based communications designed to provide members with access to information whilst workplace seminars were unable to be conducted due to government restrictions;
- the market volatility during 2020 for members with Member Savings accounts which were a reminder to think carefully about the way we all invest our retirement savings and the need to measure growth over the longer-term;
- the ongoing commitment of the Trustee to provide members with a strong and sustainable foundation on which to build their financial security in retirement in a complex policy and regulatory environment; and
- the Trustee's commitment to explore ways in which to manage members' superannuation, offer more services to members and to empower them with greater control over their retirement, whilst continuing to safeguard their APSS entitlements.

The Chairman concluded by thanking members for entrusting their superannuation to the APSS and invited the General Manager, Superannuation to provide his management report and investment update.

Agenda item 3

REPORT BY STEPHEN MILBURN-PYLE, GENERAL MANAGER, SUPERANNUATION, AUSTRALIA POST AND CEO, POSTSUPER PTY LTD

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The General Manager, Superannuation reported on the operations of the APSS over the past year and summarised the plans for the management of the fund.

The General Manager emphasised that the information in his report was general in nature and should not be taken as personal advice.

The General Manager summarised the key characteristics of the fund, which included that:

- the APSS had approximately 29,000 members and 19,000 of those members were currently employed by Australia Post and categorised as ‘defined benefit’ members;
- as at 30 September 2020, the fund’s total assets were \$7.7 billion and had risen towards \$8 billion in November 2020;
- in 2012, the fund was closed to new members except spouses of existing members;
- the average age of members was 55 years and the average benefit per member was high compared to community benchmarks; and
- the distinctive features of a mature, high balance membership and employee defined benefits were important factors in the investment of assets, the provision of services, risk management and the future strategy of the fund.

The General Manager explained the impact of the COVID-19 pandemic on the operations of the APSS during 2020, including that:

- there were very deep falls in financial markets in February and March in reaction to the pandemic but the Australian and international share markets had recovered very quickly in response to economic support programs and actions by central banks to inject money into the financial system;
- the impact of the volatility in the financial markets on the APSS’s assets was moderated by the diversification and risk controls built into the Trustee’s investment strategy, with the level of funding of defined benefits and overall fund liquidity proving very resilient;
- the key priority for the Trustee and management team was to assist members to deal with the impact of the pandemic on their super, noting that a large amount of members’ money was switched to the cash option, especially in March, which signified anxiety about the share market losses and the economic shutdowns. The APSS published frequent website updates and other communications to keep members informed;

- the community take up of the government's early release scheme had been significant, with about 15% of the Australian workforce accessing their super, including a proportion of APSS members; and
- the APSS's priority had been to process payments to members as soon as possible and the performance of the benefits administrator in lifting to that task had been pleasing.

The General Manager also reported on the plans for the APSS, which included the management of the fund according to a Board approved strategy based on four fundamental objectives, being:

1. governance and operational excellence, which included risk management, strong systems and data security, compliance with regulations and ensuring the right expert resources were in place;
2. a resilient investment strategy encompassing new sources of return and ways to mitigate risk in a changing investment landscape;
3. member service focus on ensuring that members were well informed about their superannuation and empowered to plan for their retirement with confidence; and
4. ensuring that there will be a sustainable capability to continue to deliver APSS benefits and improve member services and options, including access to strong and sustainable investments in the long-term.

In conclusion, the General Manager reminded members that superannuation in Australia was under continual review and was rapidly evolving, in response to regulatory and economic forces. He assured members that the Trustee's strategy had regard to that operating environment and members' long-term interests in being in a well-managed and of a sustainable superannuation fund.

Agenda item 4 INVESTMENT UPDATE

The General Manager went on to summarise the APSS' recent and longer-term investment performance, for each of the investment options available to members with Member Savings in the APSS. He highlighted that:

- the return on the Cash option provided capital security and was closely correlated with Australia's official cash interest rate, which had declined over the past ten years, reaching a negligible rate of 0.10% in November 2020;
- the Conservative option, which was designed for members with investment timeframes of around three years, targeting a return of 1.5% above inflation, had been 'true to label' in outperforming that target over three years to 30 September 2020 and maintaining a positive return over the challenging 12 months to 30 September 2020;
- the Balanced option, designed for members with a higher tolerance for short-term risk and targeting a return of 3% per annum over inflation, had also exceeded that target over five and ten year timeframes to 30 September 2020, despite a flat return over the last year; and the High Growth option, which had the highest short-term risk profile and a return target of 4% per annum over inflation, did not yet have a long-term track record but had delivered the highest return of the four investment options over the past three years, even after a slightly negative return over the past year, demonstrating the trade-off that investors need to make between short-term volatility and longer-term investment growth.

Agenda item 4 INVESTMENT UPDATE (continued)

The General Manager added that the fundamental investment philosophy behind the investment options offered to members was to deliver the investment targets for each option whilst taking the lowest possible risk.

Finally, the General Manager commented about the investment outlook, noting both that there were a number of economic and geopolitical issues that may act as headwinds to investment outcomes over the next several years but also that there was scope for investors to benefit from innovation driven by technological advances and the sustainability imperative. He reminded attendees that defined benefits were not affected by investment returns and, in other respects, common-sense principles of investment had not changed, such as:

- selecting a strategy aligned with personal investment goals and timeframe;
- diversifying to avoid being over-exposed to the risk of losses from individual investments or markets; and
- accepting that market volatility is part of investing.

Agenda item 5 QUESTION & ANSWER SESSION

Catherine Elmes, Head of APSS Member Services, introduced the question & answer session. Members were invited to pose questions during the meeting using the online 'Q&A' function.

Relevant pre-submitted questions from members were answered during the meeting in the allotted meeting time, however there was insufficient time to respond to all member questions.

All relevant questions and answers are provided in the Attachment at the end of these minutes.

At 6:31pm Catherine Elmes, Head of APSS Member Services, closed the question & answer session.

Agenda item 6 FORMAL MEETING CLOSURE

At 6.32pm, the Chairman formally closed the meeting on behalf of the Trustee Board and APSS Management and thanked members for attending and for their questions.

ATTACHMENT TO THE MINUTES OF THE APSS ANNUAL MEMBERS' MEETING 2020

RELEVANT QUESTIONS AND ANSWERS

| Topic/member question(s) | Answer |
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| <p>1. <u>Accessing super</u></p> <p>At what age can I access my Super?</p> <p>Am I of age to receive some super?</p> <p>Being born in 1976, if I would like to retire when 60 am I able to access my preserved benefit?</p> <p>I wish to draw on my Super Fund to help my grandchildren have a better quality of life. Is there any limitations on when I can draw on my fund and do I need to be at a certain age to do so? I was born in 1962.</p> <p>Updates on accessing super prior to retirement age.</p> <p>Any hopes of withdrawing part of my superannuation?</p> | <p>The law requires you to keep your super within the superannuation system until you reach your preservation age and also satisfy a condition of release, for example, resigning or retiring from work. Preservation age ranges between 55 and 60 depending on your date of birth.</p> <p>Even when you've reached preservation age, you generally won't be able to access your super unless you've also retired, started a transition to retirement income stream, or reached your 65th birthday.</p> <p>In limited circumstances, you may be able to start withdrawing and using your super before you've reached your preservation age. This includes where you meet the eligibility criteria for early access under any of the 'grounds of release' found on our website in the 'about' menu under 'accessing your super' (link below)</p> <p>The amount you will be able to access varies depending on what grounds it is released to you early.</p> <p>Members are encouraged to call our contact centre team and/or to visit the APSS website for more details.</p> |
| <p>2. <u>Government Incentives in super</u></p> <p>How do I claim government incentives for making my own contributions into super?</p> | <p>There are three main Government incentive schemes in superannuation available to eligible members:</p> <ol style="list-style-type: none"> 1. Co-contributions – members earning less than \$54,000 and make after-tax contributions may be eligible to receive a contribution from the Government of up to \$500 each financial year. 2. Contribution splitting, which offers tax benefits for those who have a partner earning low or no income. 3. Low income super tax offset, which provides a super payment of \$500 a year if earning less than \$37,000. <p>Members are encouraged to visit the ATO's website for more information and eligibility criteria or contact the APSS call centre on 1300 360 373.</p> |

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| <p>3. <u>Early access to super</u></p> <p>What happens after withdrawals from super because of COVID-19?</p> | <p>Eligible members who accessed their super in the Government’s COVID early release scheme (which concludes on 31 December 2020) may be concerned about the long-term impacts on their retirement benefit. Considering additional contributions and reviewing the suitability of investment options may potentially assist members to recoup some or even all of the money withdrawn early.</p> <p>The APSS’s next quarterly newsletter, <i>Insight</i>, will be covering this topic in detail, and members are encouraged to read this newsletter when it is published at the end of January 2021.</p> <p>Members are also encouraged to call the APSS contact centre for further assistance.</p> |
| <p>4. <u>Retirement Income</u></p> <p>Is a comfortable retirement salary secure under the current pandemic and the unknown world economy?</p> | <p>The definition of a comfortable retirement salary or income depends on how much an individual or couple has and how much they expect to spend during their retirement, which varies from person to person.</p> <p>Members are encouraged to access retirement income calculators to further educate themselves on what a comfortable retirement means for them.</p> <p>Security of retirement income is also complex. Because interest rates have trended lower over the past several years and were lowered even further as part of economic measures undertaken during the pandemic, returns from secure sources such as cash deposits and government bonds are extremely low. Members who confine their savings to secure investments may miss out on longer-term capital growth, which is normally associated with a level of short-term risk, or volatility.</p> <p>Members who are actively planning for retirement are encouraged to seek financial advice from a qualified and independent financial adviser who will take into account their personal circumstances.</p> |

5. Investment options, returns and risk

Is it wise to invest in Cash after my super dropped by more than \$100k in the last few months or leave it in market investment?

What is the best option to get highest return in this environment?

Is it safe to go for high returns now?

Is high risk recommended at this time?

Annual Return on investment was very low.

Like to know about investments. How to find where to invest and looking into the investment future for benefits

The performance of my investment isn't good recently, I lost a few thousand during last month, although my investment plan is 80% cash + 20% conservative.

The investment performance is a concern for me, can you share what is the plan in place to mitigate the risks in this uncertain times.

Expectations on returns over the next 1,3,5 years.

Given the volatility of the share market and the long term negative outlook on interest rates what is there and suggestions as to make a reasonable return on super balances without taking on unnecessary risk.

The APSS is not licensed to provide any investment advice to members and cannot make any recommendations on which APSS investment options are suitable for individual members. Members are encouraged to obtain financial advice from a qualified and independent financial adviser who will take into account their personal circumstances before making an investment recommendation.

The APSS Cash investment option provides capital security but is expected to deliver very low crediting rates, with Australia's official cash interest rate set to just 0.10%.

Large falls in a super account balances referred to in certain questions are assumed to be related to market disruptions that occurred in early 2020, which have since been reversed across most asset classes to date. Investing in cash after a significant decline in share markets and other growth asset classes has the effect of locking in those losses and misses the opportunity to participate in a subsequent market recovery.

Adhering to a long-term strategy through the ups and downs of market cycles has been observed to be superior in the long term than moving into cash after a share market decline (and out of cash after a share market increase). Investment markets generally move too quickly and unpredictably for any of us to get that timing right consistently over the long term.

If you are a member with APSS member savings, including employee member savings, a Rollover, Spouse or Pension account, you have four investment options to choose: Cash, Conservative, Balanced and High Growth. These investment options have the expectation of incrementally higher long-term returns with incrementally higher short-term risk of negative returns.

Each of the four investment options has an investment objective, risks and expectations of investment returns. Aside from the Cash option, the three other investment options hold a diverse range of assets including shares, private equity, alternative credit, bonds and cash.

These are fully explained in our Product Disclosure Documents available in the Publications and forms menu on the APSS website.

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| <p>Are you considering adding a higher allocation of commodities to the portfolio? Specifically gold or silver?</p> | <p>The APSS does not have an allocation to pure commodities, such as gold or silver, in its asset mix. Our investment managers are permitted to invest in the shares of commodity producers, where that is within the scope of their mandates, after taking environmental, social and governance factors into consideration.</p> <p>We continue to make allocations, for example, to renewable timberland investments, which form part of real assets in the APSS’s asset allocation. We consider that pure commodity investments in, say, gold or silver, are more speculative than investing in commodity producers, which are expected to generate returns based on revenue or profit from business activities.</p> |
| <p>6. <u>Investment strategy changes</u></p> <p>Given the investment outlook, will the Trustee's Investment Committee be looking to change the parameters of its four investment options?</p> <p>Please explain the changes that were made to the APSS investment strategy during COVID-19 to protect and grow member savings</p> | <p>The Trustee’s Investment Committee keeps the investment strategy across the four investment options under continual review, working with the management team and specialist advisers. During the market disruptions in early 2020, the Investment Committee maintained the strategies it had set for each option.</p> <p>Following a regular comprehensive review in September, having regard to the outlook for the next five to ten years, the Trustee approved certain adjustments to the APSS’s public market shares portfolio, resulting in more of the portfolio being allocated to active investment managers, and the introduction of a floating rate credit allocation in the bond portfolio. These adjustments do not alter the published return objectives or risk profiles of the four investment options but could increase the probability of meeting the objectives given the investment outlook.</p> |

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| <p>7. <u>Sustainable and environmental investments</u></p> <p>Does the APSS have a policy of not investing members' super in industries that are damaging the environment?</p> <p>Will the Trustee commit to completely divesting from coal and oil within a few months and gas in the longer term, or provide an investment option for members to make that choice?</p> | <p>The Trustee recognises the importance of investing in companies that generate sustainable returns now and into the future. We do therefore take environmental, social and governance (ESG) factors into account in making investment decisions.</p> <p>This is responsible investment stewardship and should provide the best returns. We have written about our approach in the latest quarterly <i>Insight</i> newsletter, so please take a look. We think this is an important topic.</p> <p>Our ESG policy favours engagement rather than divestment. The only strict exception to that is that we do not allow our investment managers to invest directly in tobacco-producing companies. Engagement enables our investment managers to consider the business plans of the companies and make an assessment of their future sustainability.</p> <p>The policy is available online, <i>Taking account of environmental, social and governance (ESG) factors.</i></p> |
| <p>8. <u>Portfolio holdings</u></p> <p>I would like more transparency in what APSS actually invest in, in terms of 'which' equities; fixed interest etc. and the percentages of each. For example, I would like far more details than just 'Australian shares - %'. WHICH shares exactly?</p> | <p>We publish a quarterly update of the APSS investments and portfolio structure on our website. From the 'Investments' menu, members can view the portfolio holdings.</p> <p>We do not currently disclose individual investments down to the level of individual securities but are taking steps to do so in line with evolving superannuation industry standards and superannuation legislation.</p> |

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| <p>9. <u>Defined Benefits</u></p> <p>Can you explain the defined benefits and what is best to invest your money in?</p> | <p>The APSS defined benefit is a super benefit paid to members when they retire or resign based on a formula. Unlike the more common accumulation-style super funds, the APSS defined benefit cannot reduce in value.</p> <p>The retirement or resignation benefit is calculated as a member’s final average salary (which is the average of super salary over the last three years) multiplied by years of service and 14.3% (for most members).</p> <p>Compared to more commonly available accumulation superannuation funds, the APSS defined benefit is not reduced by contribution tax or affected by market returns, making it easier to predict into the future and plan around.</p> <p>On the second part of the question, we cannot provide personal investment advice but hope that the answers given in response to preceding questions in section 5 are helpful.</p> |
| <p>10. <u>Tax on retirement benefits</u></p> <p>My preservation age is 59. If I retire before age 60, do I have to pay tax on my lump sum super money?</p> | <p>If you decide to retire at age 59 but before age 60, it is most likely tax will need to be paid on at least a portion of the super lump sum you receive.</p> <p>However, that will also depend on the balance and the tax free and taxable components of the super benefit paid. The APSS contact centre can assist with more specific details of these two components.</p> |
| <p>11. <u>Remaining in the APSS after retirement or resignation</u></p> <p>Can I still keep my money in the fund if I retire?</p> | <p>Yes, you can remain in the APSS after you resign or retire by transferring your benefits into either an APSS Pension account if you have reached your preservation age, or an APSS Rollover account.</p> <p>Employee members automatically receive information and a form to fill in soon after ceasing employment to assist in this process. If no response is received within a 60-day period, members’ benefits will be automatically retained in the APSS after ceasing employment.</p> |

12. Fees

Why, after leaving Australia Post employment, does the Fund charges a 0.12% fee of the total balance in addition to the Administration Fees of \$1.50 per week? It is very unfair. The Trustees should abolish it.

Commitment to keep the Management Fees as low as possible.

Can the super management fee be tax deductible?

Members have every right to challenge super funds on fees or on anything else they are concerned about.

Administration fees cover the costs of running the APSS. While Australia Post pays those costs on behalf of employee members, the Trustee is obliged to apply a fee to the accounts of non-employee members.

The administration fee for non-employee members is currently \$1.50 a week plus 0.12% of the member's account balance. Fees are purely based on the recovery of costs and there is no profit margin.

The Trustee regularly compares APSS administration fees to other super funds and believes they are very competitive for a fund of our size and structure.

You generally cannot claim tax deductions for fees and costs that you pay on a super fund as an individual member.

Please call our contact centre who can step you through the process and send you the relevant claim forms.

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| <p>13. <u>Beneficiary Nominations</u></p> <p>How do non-lapsing binding nominations work and how can members nominate this on their superannuation beneficiaries?</p> | <p>Many members do not realise that their Will does NOT necessarily determine who receives their super if they die and therefore a beneficiary nomination on their super account is an important decision.</p> <p>In the APSS there are three types of beneficiary nominations that members can make:</p> <ol style="list-style-type: none"> 1. Non-binding nominations give the Trustee a <i>guide</i> as to who to pay a super benefit to, but the Trustee is not bound by it and will look at your personal circumstances when you pass away and determine who is entitled to receive your super. 2. Binding nominations that are ‘non lapsing’ are binding on the Trustee as long as they are made to a valid beneficiary. 3. Binding nominations that are ‘lapsing’ meaning they have to be renewed every three years and again must be made to a valid beneficiary. <p>Whether lapsing or non-lapsing, a binding nomination can be made by completing the <i>Binding nomination form</i> available on apss.com.au in the Print-a-form section. A non-binding nomination may be made online and changed at any time.</p> |
| <p>14. <u>Transferring Defined Benefits to another super fund while still employed</u></p> <p>How can I exit the APSS defined benefit while I’m still working, and if I cannot leave it then why?</p> <p>Why am I not able to exit the defined benefit fund without quitting my job at Australia Post?</p> | <p>Employee members cannot transfer their accrued defined benefit out of the APSS before they cease employment, but they can opt out at any point and accrue their future superannuation in another fund.</p> <p>Opting out would cause the defined benefit to cease accruing value with extra years of service but it will still continue to increase in line with any final average salary increases. The death and disablement cover associated with the defined benefit also ceases upon opt out.</p> <p>The rules that restrict the transfer of an accrued defined benefit out of the APSS are incorporated in the Trust Deed, an agreement between Australia Post and the Trustee, and were put in place to support the stable funding and liquidity of assets held in the APSS to pay defined benefits.</p> |

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| <p>15. <u>Super account consolidation</u></p> <p>How do I combine my super from other organisations?</p> | <p>Combining, or consolidating, super from other super funds into the APSS is easy to do online by logging into the APSS website. It can also be organised through a MyGov account.</p> <p>It is important to carefully check all super arrangements before consolidating as insurance cover or other choices may be lost in the process.</p> <p>For help with the consolidation process, login to your APSS account (it can be done on our website) or call our contact centre.</p> |
| <p>16. <u>Retirement Age</u></p> <p>What is the retirement age for a woman? I'm turning 60 soon so I would like to know some information about how to prepare for retirement.</p> <p>How to avail of pension allowance /eligibility requirements</p> | <p>There is no specific age at which to retire – that is completely up to each individual and their financial situation – but there is likely to be additional tax payable on super if it is accessed before turning 60. Also, super cannot generally be accessed unless a member has retired after reaching their preservation age. For further details about accessing super, please refer to the response to questions in section 1.</p> <p>Accessing the Government's Age Pension is a different age to super and can be accessed, if eligible, between ages 65 and 67, depending on an individual's date of birth. To be eligible, you must also meet an income and assets test.</p> <p>In relation to eligibility for the Government's Age Pension, as every member's personal financial situation is different, members should visit servicesaustralia.gov.au for more details.</p> |
| <p>17. <u>Transition to retirement accounts</u></p> <p>How do transition to retirement accounts work?</p> | <p>A transition to retirement (TTR) account is a type of account that can be set up within the APSS Pension in the lead up to retirement once a member reaches their preservation age. A TTR account allows members to start accessing their super while they're still working, by receiving regular or even lump sum payments from their accrued super balance.</p> <p>The APSS website has a wealth of information about a TTR account in the APSS – see the '<i>Your APSS Pension Product Disclosure Statement</i>'.</p> |

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| <p>18. <u>Type of super fund</u></p> <p>Is APSS an industry or retail super fund?</p> | <p>The APSS is classified as a <i>corporate superannuation fund</i>, in the sense that it operates for the benefit of employees of a single employer group, Australia Post and its affiliated companies.</p> <p>Former employees are able to retain their superannuation in the APSS and employees are able to open an APSS account for their spouse. So the APSS is neither an industry or retail fund. Importantly, the APSS is a 'not-for-profit' fund, which operates solely for the benefit of its members.</p> |
| <p>19. <u>Online Services</u></p> <p>When will the APSS be able to allow members to access, change, edit, upload all aspects of information to the website... making it more an automation process and doing away with the manual processing of forms. (e.g. Binding Beneficiaries...) [and] ...adopt a more online ability to apply for the early release of a member's Unrestricted Non-preserved component...</p> | <p>We have enabled as much online transactional capability as we practically are able and continue to look for ways to make it easier for members to transact. For example, you can consolidate all your super online, search for lost super, change investment choices or even verify your identity online.</p> <p>However, there are certain transactions that legislation requires to be authorised by signature on an original form, such as a binding beneficiary nomination.</p> |
| <p>20. <u>Transferring pension income to a Rollover account</u></p> <p>Due to Govt rules I have a pension account and a rollover account. Would it be possible to direct some or all of any paid pension into the rollover account?</p> | <p>The answer to this question depends on your age and how much money you have in your pension account. This is because there are Government restrictions in place, as described below.</p> <p>If you are over 75, unfortunately the law does not allow you to receive a pension income payment and re-contribute it into your Rollover account.</p> <p>However, if you are under 75, there are options available – but the right option will depend on your own personal financial circumstances.</p> <p>Our contact centre team can assist with more details about the options available.</p> |

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| <p>21. <u>Retirement</u></p> <p>I have an APSS rollover account. What happens if I decide to “retire” in 6 months when I turn 60? That is with the account and how do I draw an income and how much will it be? Let’s say there is \$600 000 in that account. And if I have cash outside?</p> | <p>If you are permanently retiring from the workforce over aged 60, there are a few options with regard to your Rollover account. One option is to have your rollover account balance paid to you as a lump sum.</p> <p>Alternatively, you could transfer it into a pension product in the APSS or any other complying super fund, enabling you to draw an income that meets your financial needs. You can also keep your balance in your Rollover account for as long as you wish.</p> <p>Once retired, the amount of income you receive is something that you can decide, noting of course that the faster you draw down, the quicker your remaining account balance may reduce. This will also depend on the investment option(s) that you select to hold your retirement balance in.</p> <p>Members facing major retirement decisions are encouraged to obtain financial advice that takes into account their personal financial circumstances, including money held outside super.</p> <p>Members can also visit the Government’s Moneysmart website at www.moneySMART.gov.au which offers a range of income projection calculators.</p> |
| <p>22. <u>Offset Account interest rates</u></p> <p>Will APSS review the interest rate that is applied to the Offset Account? The interest rate is prohibitive, eroding the value of the remaining super balance.</p> | <p>The interest rate applied to the Offset Account is the same rate as the investment returns earned on the assets that are used by the APSS to pay defined benefits. In other words, the Offset Account represents the funds, including future investment earnings, which were withdrawn early.</p> |
| <p>23. <u>SMSF / Investing in super</u></p> <p>How can I invest using my superfund? Will you help me set this up?</p> | <p>We do not offer self-managed superannuation fund services and suggest you speak to your accountant or a licensed financial planner who can assist you to set this up.</p> <p>You can still invest your member savings in one of four investment options in the APSS. If you call our contact centre, they can discuss the four investment options with you in detail.</p> |

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| <p>24. <u>AMP</u></p> <p>Does AMP manage APSS super?</p> | <p>No, AMP does not manage any component of the APSS. After the APSS was closed to new employees in 2012, Australia Post selected AMP as the default super fund manager for its new employees from that time onwards, before selecting AustralianSuper to take over that role in 2019.</p> |
| <p>25. <u>Contributions</u></p> <p>What does future contributions mean?</p> <p>How do I know what my future contributions will be?</p> | <p>Future contributions refer to the contributions you make to your super account at any point in the future.</p> <p>How much you choose to contribute, if at all, is up to you, provided you contribute within the annual limits set by law. Currently that is a maximum of \$25,000 per annum out of before-tax salary, called concessional contributions, but there are regulations allowing higher after-tax contributions and catch-up contributions if you have under-utilised the concessional contribution limit in previous years.</p> <p>APSS members who are accruing a defined benefit do not make contributions to fund this benefit. Australia Post makes those contributions on your behalf based on advice from the Trustee’s actuary. However, the value of these contributions is counted towards members’ annual concessional contribution.</p> <p>Our contact centre can assist you further on 1300 360 373.</p> |
| <p>26. <u>Leaving Australia Post before Preservation Age</u></p> <p>What can I do with my super if I leave Australia Post before preservation age?</p> | <p>There are really two broad choices when you decide to leave Australia Post before preservation age:</p> <ol style="list-style-type: none"> 1. Keep it in the APSS by transferring it to an APSS Rollover account, or 2. Transfer it to another complying superannuation fund of your choice (e.g. you new employer’s default super fund). |

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| <p>27. <u>Final Average Salary (FAS)</u></p> <p>Why is my 'FAS' less than what I have earned over the last 3 years?</p> <p>If an employee purchases leave (e.g. 4 weeks), is their FAS affected?</p> | <p>FAS, or final average salary, is the average of superannuation salary at your last three birthdays and that may differ marginally from what you have earned precisely over the last three years. Your superannuation salary, on which FAS is calculated, can also differ from your total pay because certain salary allowances are not included in superannuation salary, e.g. overtime and leave loading.</p> <p>We have a fact sheet on this topic called 'Your Super Salary' available in the publications and forms section on the APSS website.</p> <p>The FAS is not affected if a member purchases additional leave and FAS cannot reduce.</p> |
| <p>28. <u>Recouping a withdrawal from super</u></p> <p>How long would it take to recoup a cash lump sum withdrawal of 10% of your defined benefit if the amount of the withdrawal is \$25,000 assuming the fund's performance stays the same, and the employer's compulsory rate is 14.3% + 5% contributory?</p> | <p>There are several factors to consider in answering this question. Because we do not know the salary that your 14.3% defined benefit accrual and 5% contribution will be based on, we cannot compare it to the amount withdrawn and estimate how quickly they will catch up to that amount. Investment earnings foregone on the amount withdrawn are also unknown. Our contact centre may be able to assist if you can provide further details but they will not be able to advise you how much to contribute or which investment option to select to recoup the withdrawal, so a personal financial adviser may need to assist.</p> |