

Minutes

Australia Post Superannuation Scheme (APSS) Annual Members' Meeting held via Zoom on Thursday, 3 March 2022, 5.30 to 6.25pm

**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
Catherine Elmes, Head of APSS Member Services
Neale Sturt, Head of APSS Finance & Operations
Alister Wong, Head of APSS Investments

Agenda item 1 WELCOME & INTRODUCTION¹

At 5.30pm, Catherine Elmes welcomed members to the meeting and commenced by acknowledging the Traditional Custodians of the land on which we operate, live and gather throughout Australia, recognising their continuing connection to land, water and community and paying respects to Elders past, present and emerging.

Catherine introduced the Chairman, Mark Birrell, who thanked members for their interest and attendance at the meeting.

¹ **Important Information:** This document contains general information. It is not intended to be financial product advice and does not take your personal circumstances into account. Before acting on any information provided in this document, you should first consider its appropriateness to your own circumstances. You should also refer to the relevant Product Disclosure Statement (PDS) that applies to your interest in the APSS available at apss.com.au/product-disclosure and, if relevant, the Target Market Determinations for the APSS Rollover/Spouse product and APSS Pension product published on apss.com.au under the Member Benefits tab. If you have any doubts or require further assistance you may wish to seek the advice of a professional financial adviser. Neither PostSuper Pty Ltd nor Australia Post is licensed to provide you with financial product advice regarding your investment in the APSS. Australia Post Superannuation Scheme (ABN 42 045 077 895). Issuer: PostSuper Pty Ltd (ABN 85 064 225 841) RSE Licence Number L0002714 APSS Registration Number R1056549. Australian Financial Services Licence No.530677.

The Chairman introduced the other Directors on the Board of PostSuper Pty Ltd (the **APSS Trustee**) as trustee of the APSS, the Scheme Actuary, the Scheme Auditor and the General Manager, Superannuation, who were all in attendance.

The Chairman outlined the agenda and explained that, following his remarks and update on the APSS' merger plans, there would be a report presented by the General Manager, Superannuation, Stephen Milburn-Pyle, including an investment update and outlook, followed by a member question and answer session.

Agenda item 2 REPORT BY MARK BIRRELL, CHAIRMAN OF THE APSS TRUSTEE

The Chairman's report included information on the following:

- the historically high investment returns achieved in the 2020/21 financial year, which had boosted the overall value of members' savings as the global economy emerged from the 2020 pandemic-related recession;
- the timeline from March 2021, when the APSS Trustee announced that it had entered a non-binding agreement with Sunsuper to explore a merger, noting that members had been kept regularly updated via the APSS website and that the anticipated merger between Sunsuper and QSuper had occurred on 28 February 2022, creating the nation's second-largest superannuation fund, named Australian Retirement Trust;
- confirmation that the APSS Trustee had formally decided to merge the APSS with Australian Retirement Trust, setting a merger date of 30 April 2022, following a thorough and careful review, which firmly established that proceeding with the merger would be in members' best financial interests;
- the positive features of the merger for APSS members, which include:
 - the continuation of APSS employer-funded defined benefits for APSS members employed by Australia Post (employee members);
 - that Australia Post would also continue to pay administration costs and the costs of providing death and disablement cover for eligible employee members;
 - that member savings balances in each of the four APSS investment options, High Growth, Balanced, Conservative and Cash would be matched to the equivalent investment option in Australian Retirement Trust;
 - that, through its large scale, Australian Retirement Trust would be able to offer all APSS members a wider range of investment options, access to more services and advice and greater flexibility to manage their super;
 - that administration fees for non-employee members would be about the same immediately after the transition to Australian Retirement Trust but were due to be reduced from 1 July 2022;

- that the APSS is one of an increasing number of superannuation funds that have elected to merge in order to secure the advantages of scale for their members, whether through more services, lower fees and costs, improved technology or better long-term investment returns;
- the wealth of information that would be available to assist APSS members with information about the transfer of their benefits to Australian Retirement Trust on the APSS website, by mail, via upcoming webinars or through the APSS contact centre.

The Chairman concluded by inviting Stephen Milburn-Pyle, General Manager Superannuation, to provide his management report and investment update before turning to member questions and answers.

**Agenda item 3 REPORT BY STEPHEN MILBURN-PYLE, GENERAL MANAGER,
SUPERANNUATION, AUSTRALIA POST AND CEO, POSTSUPER
PTY LTD**

Stephen Milburn-Pyle reported on the operations of the APSS since the last Annual Members' Meeting in November 2020.

He began by providing an overview of key fund statistics, which included that, as at 31 December 2021:

- the APSS had approximately 28,000 members, 17,500 of whom were currently employed by Australia Post or an Associated Employer;
- the fund's total assets were \$8.4 billion and had experienced growth in assets over the past year despite paying out significant amounts in benefits;
- the average age of members was 57 years, meaning the majority of members were either in the retirement planning phase, or may have already retired with a Pension account; and
- the average benefit balance of APSS members was approximately \$300,000, significantly higher than the Australian average.

The distinctive features of a mature, high average balance membership and employee defined benefits were all important factors in the investment of assets, the provision of services, risk management and the decision to merge with Australian Retirement Trust.

Stephen commented that the APSS was managed in a similar way to other significant financial entities, according to a Board approved strategy, which was also monitored by the financial regulators. The one and only purpose of the strategy has been to ensure that the APSS delivers good retirement outcomes for members in the short, medium and long term.

Under the strategy, the APSS Trustee had continued to set four strategic objectives for the management team to pursue:

1. governance and operational excellence;
2. a resilient investment strategy encompassing new sources of return and ways to mitigate risk in a dynamic investment environment;
3. member services focussed on ensuring that members were well informed about their superannuation and empowered to plan for their retirement with confidence; and
4. a strategy to ensure that there would be a sustainable capability to continue to deliver APSS benefits and improve member services, which had led to the merger with Australian Retirement Trust.

Stephen added that, in addition to working on the merger through 2021:

- the APSS management team had continued to work on ways to make it simpler for members to transact in 2021 by simplifying forms and processes, adding to contact centre resources and introducing electronic ID services;
- the APSS had continued to operate in compliance with the regulations and requirements set by the Australian Prudential Regulatory Authority and the Australian Securities and Investments Commission;
- the APSS had an unqualified audit for the 2021 financial year; and
- the latest three-yearly independent actuarial review was performed in 2021, concluding that the APSS was in a strong financial position to meet its financial obligations.

Agenda item 4 INVESTMENT REVIEW AND OUTLOOK ²

Stephen Milburn-Pyle proceeded to summarise the recent and longer-term investment performance, for each of the investment options available to members with Member Savings in the APSS. He reminded members that investment returns have no impact on defined benefits, except for a minority of members with an offset account. He highlighted that:

- the return on the Cash option had tracked just ahead of Australia's official cash interest rate after tax, with the official cash rate tracking close to zero recently, forcing savers who wanted the short-term capital security of cash to forgo virtually any return on their savings;
- the Conservative option, which was designed for members with investment timeframes of three or more years, targeted a return of 1.5% above inflation and had outperformed that target over both one and three years to 31 December 2021;
- the Balanced (MySuper) option, which was designed for members with investment timeframes of 5 years or more and had a target of earning 3% above inflation per year on average, but with year to year fluctuations, had performed well above that target over 1, 3, 5 and 10 years to 31 December 2021; and

² **Important Note:** All investments carry risk and may rise and fall. International investing involves additional risks, including the risk of currency fluctuations. Diversification does not ensure a profit or protect against a loss in a declining market. Past performance is not a guarantee of future returns or crediting rates. APSS's crediting rates are calculated fortnightly and are published on apss.com.au under the Investments tab.

- the High Growth investment option, which was for risk-tolerant members with investment timeframes of at least 10 years (but had only been in operation since 2017), had also outperformed its return target of 4% per annum above inflation on average over 1 and 3 years to 31 December 2021.

Commenting on the factors behind the particularly high investment returns achieved in the last financial year for the High Growth and Balanced investment options, which also contributed to a solid return for the Conservative option, Stephen noted that shares had gained over 30% in value over that period but that was eclipsed by the APSS's private equity investments, which gained over 50%. Referring to a notice sent to members in late 2021 about an increase in investment costs, Stephen commented that the cost increase was due to contracted performance fees paid to private equity fund managers and that members were net beneficiaries from the strong gain on the private equity investments.

Stephen proceeded to comment on the investment outlook, noting that market volatility had increased in 2022 in reaction to inflationary pressures, leading to expectations that central banks would move more quickly to raise interest rates, and also to the economic reverberations from the Russian invasion of Ukraine. He informed members that the APSS had minimal direct exposure to Russian markets prior to the invasion.

Stephen observed that financial markets are always hard to predict but the prevailing investment environment was particularly uncertain, due to inflationary pressures and geopolitical risks, following a period of unusually strong asset price gains. On the positive side, innovation and enterprise were expected to continue to create value for investors. The transition from carbon-based to renewable energy was highlighted as a particularly powerful trend set to create new investment opportunities.

In conclusion, Stephen commented that the APSS's investment guidelines had not fundamentally changed and were in essence to:

- consider a strategy that matches your own retirement goals and timeframes;
- diversify to avoid being over-exposed to the risk of losses from individual investments or markets; and
- avoid over-reacting to short-term market volatility, which is part of investing.

Stephen finally encouraged members to explore the wider range of investment choices available after the transfer to Australian Retirement Trust and encouraged members to avail themselves of the additional services and advice that would come with membership of a large, well-resourced, member-first fund.

Agenda item 5 QUESTION & ANSWER SESSION

Catherine Elmes introduced the question and answer session. A number of questions had been submitted before the meeting. Members were also invited to submit any further questions during the meeting using the online function available in Zoom.

Questions from members were answered during the meeting in the allotted meeting time. All relevant questions and summarised answers are provided in the attachment at the end of these minutes, including questions that were not able to be answered during the meeting. These are marked with an asterisk in the attachment.

Agenda item 6 FORMAL MEETING CLOSURE

At the conclusion of the question and answer session, the Chairman, speaking on behalf of the APSS Trustee, again thanked members for attending and for their questions. He reminded members to view the detailed information about the merger that would be published on the APSS website and mailed out immediately following the meeting. He also encouraged members to join one of the webinars about the merger that were to be held in April 2022 by the Australian Retirement Trust.

The Chairman formally closed the meeting at 6.25pm.

ATTACHMENT TO THE MINUTES OF THE APSS ANNUAL MEMBERS' MEETING 2021

RELEVANT QUESTIONS AND ANSWERS³

Questions that were not able to be answered during the meeting are marked by an asterisk (*)

Topic/member question(s)	Answer
<p>1. Defined Benefits</p> <ul style="list-style-type: none"> • Will the guaranteed benefits of 14.3% continue for legacy Australia Post employees? • What are the major changes, if any, to the APSS Defined Benefit Super due to the merger? • Is there any view that the defined benefit is, or could be, removed from current APSS members, for any reason including the merger. • Will the Australian Retirement Trust continue the guaranteed return (14.3%) to existing APSS Members?* 	<p>To put all defined benefit employee members' minds at rest, the APSS defined benefit will continue to be calculated on the same terms and rules within the APSS Plan at Australian Retirement Trust after the merger. Your defined benefit will continue to build up with years of service and final average salary, using the same formula, just as it does today. That is set out in a legal agreement between Australia Post and Australian Retirement Trust.</p> <p>The merger will not change any of the ongoing support of Australia Post and other employers, which will continue to fund administration costs and cover the cost of providing death and disablement benefits for eligible employees.</p>
<p>2. APSS scale in future</p> <ul style="list-style-type: none"> • In the future after the merger, if there are less members in the APSS would the remaining APSS members have to move to another fund?* 	<p>To be clear, all APSS members will transfer to Australian Retirement Trust in the merger. There will be a special section of Australian Retirement Trust dedicated for Australia Post employees who transfer from the APSS, which will be named the 'APSS Plan'. As those employee-members retire or leave employment with Australia Post, the number of members remaining in the APSS Plan will reduce over time, but will continue to benefit from the total scale of Australian Retirement Trust.</p>

³ Responsible officers, individual trustees, auditor and actuary of the APSS are obliged to answer questions asked by APSS members, except in certain circumstances set out in sections 29PB-29PE of the SIS Act. Such circumstances include (among others) where a question is not relevant to the APSS, an audit or actuarial investigation of the APSS, or an action, or failure to act, by the APSS Trustee in relation to the APSS or one or more members of the APSS, or where answering the question would result in a detriment to the members of the APSS taken as a whole or it would be a breach of law or the APSS Trust Deed to answer the question. Accordingly, any such questions were not addressed in the meeting and have not been included in the attachment at the end of these minutes.

<p>3. Vested Benefits surplus</p> <ul style="list-style-type: none"> The APSS has more funds than the total owned by members -- what happens to these funds in the case of the merger? 	<p>This question refers to the APSS' financial ability to pay out all liabilities (or member benefits) if they become payable on a single point in time. Although this is very unlikely to occur, it is a good way to measure the financial health of a defined benefit fund.</p> <p>The APSS is in a good financial position, meaning there are surplus funds in the APSS today in the very unlikely event that it is required to pay all benefits should they fall due on the same day. The surplus that exists at the transfer date will simply transfer to Australian Retirement Trust and will be held separately for the benefit of the APSS Plan within Australian Retirement Trust. That means the surplus is kept exclusively to pay APSS defined benefits.</p> <p>Since defined benefits will continue to grow in future, the surplus funds will go towards covering that growth, together with the future contributions that Australia Post will continue to make for APSS defined benefit members once transferred to Australian Retirement Trust.</p>
<p>4. Union Representation after the merger</p> <ul style="list-style-type: none"> How can APSS members be assured of future union representation, if we merge with a much larger fund? In a merger with a larger super-scheme e.g. Australian Retirement Trust, will we still have union and staff representatives in proportion to that we have now. Will the employees still have substantial input into future strategies?* 	<p>Following the merger, the Trustee of Australian Retirement Trust will have the responsibility of protecting members' financial interests. Its Trustee Board includes 6 union representative directors, 5 employer-appointed directors as well as 2 independent directors with specialist skills, which is similar to our APSS Trustee Board in structure.</p> <p>Under applicable laws, anyone who has the privilege and responsibility of being on a trustee board must always act in all members' best financial interests, regardless of where they were appointed from.</p> <p>Because Australia Post will be a major employer participant in Australian Retirement Trust, a committee will also be formed to monitor and evaluate the APSS Plan in Australian Retirement Trust. We anticipate that this committee will have both Australia Post and union representatives, so that if you are a member of the CEPU or CPSU, your union will continue to have good visibility of the super fund.</p>

<p>5. Merger Timing and the Sunsuper merger with QSuper</p> <ul style="list-style-type: none"> • When will the merger with QSuper happen? • Please give us an update on the proposed merger of APSS with Sunsuper. When will it be? Please update us about the timelines. 	<p>QSuper and Sunsuper have formally merged to form Australian Retirement Trust and that merger was finalised on 28 February 2022.</p> <p>Although the APSS Trustee originally selected Sunsuper as the preferred merger partner, the merger of Sunsuper and QSuper is very positive, creating the benefits of scale to members of an even larger fund. QSuper itself has been an outstanding fund with a heritage of looking after defined benefits.</p> <p>The APSS Trustee considers that it is in the best financial interests of APSS members to merge with the Australian Retirement Trust. APSS's merger into Australian Retirement Trust is due to occur on 30 April 2022.</p>
<p>6. Fees after the merger</p> <ul style="list-style-type: none"> • If the merger goes ahead, will fees for member savings increase? 	<p>To be clear, no fees apply to APSS members' Defined Benefit accounts as Australia Post covers any fees and will continue to cover them after the merger to Australian Retirement Trust.</p> <p>In terms of administration fees applicable to Member Savings accounts:</p> <ul style="list-style-type: none"> • Employee members do not pay an <i>administration fee</i> in the APSS and this arrangement will continue in Australian Retirement Trust after the merger. • Non-employee members with an APSS Rollover, Pension and Spouse members are currently charged administration fees. For these members, administration fees are currently similar between the APSS and Australian Retirement Trust, although Australian Retirement Trust is set to reduce its administration fees from 1 July this year. <p>In terms of investment fees:</p> <ul style="list-style-type: none"> • Employee members with a Member Savings, APSS Rollover or APSS Pension account are currently charged an <i>investment fee</i> that applies to their savings in the APSS (that are additional to their Defined Benefit, in the case of Member Savings). • Non-employee or spouse members with an APSS Rollover, Pension and/or Spouse account are also currently charged an <i>investment fee</i>.

	<p>The investment fee for your account generally depends on the investment options selected in the APSS. Indirect costs are also deducted from the assets of the relevant APSS investment option before Crediting Rates are set – these are costs (such as certain investment management and investment-related fees and expenses) that, directly or indirectly, reduce the return on investments.</p> <p>Generally, Australian Retirement Trust has lower investment fees and indirect costs than the APSS, because it is a bigger fund and can pass on those economies of scale to members. The applicable investment fees and costs will depend on which investment option you are in and the asset mix in that option.</p> <p>Members are encouraged to read the information contained in their information booklets, mailed in early March, or visit the APSS website for more information. This information compares all the fees and costs of both funds in detail.</p>
<p>7. Investment Security</p> <ul style="list-style-type: none"> • Will our investments in Australian Retirement Trust be as secure as APSS? 	<p>Investment security and risk depends on the specific investment choice made by individual members. Australian Retirement Trust offers 19 different investment options, all of which carry differing levels of risk and expectations of investment returns. All APSS member savings will be mapped to the nearest equivalent Australian Retirement Trust investment option after the transition, with about the same investment objectives and risk features as the current APSS options. If you look at Sunsuper’s investment track record as the track record that Australian Retirement Trust now takes on, it is one of Australia’s top-performing funds⁴.</p>
<p>8. Member input to the merger decision</p> <ul style="list-style-type: none"> • You say the vast majority say the merger is a good thing. I have been a member since inception but have never been asked! 	<p>The APSS conducts regular member surveys, which cover a sample of between 600-800 APSS members. In a recent survey, members were asked about the planned merger and the response showed two things: One, a very high awareness about the merger and two, a majority of members were positive or comfortable about the merger.</p> <p>The law requires that a merger can only go ahead if the trustees of both the transferring fund (i.e. APSS) and the</p>

⁴ SuperRatings Fund Crediting Rate Survey

	<p>receiving fund (i.e. Australian Retirement Trust) are:</p> <ul style="list-style-type: none"> • satisfied that the transferring member's rights to benefits upon transfer are on an overall basis at least equivalent to those offered in the current fund (in this case, APSS) in respect of the benefits; and • of the opinion that the transfer will be in the best financial interests of members of both funds when considered as a whole. <p>That is why we are keen to emphasise that APSS defined benefits will continue in the Australian Retirement Trust and APSS Member Savings, Rollover, Spouse and Pension account will transfer to operate in much the same way, but with the added benefit of more choices and services and, in the long-term, lower costs.</p>
<p>9. How different member types are impacted by the merger</p> <ul style="list-style-type: none"> • How will the merger affect my APSS Member and APSS Pension funds? • What is the outcome affecting my pension with the merger? • I have a Rollover account and make no contributions. How will that account type be treated in the merger? 	<p>If you have an APSS Pension account, you will be transferred to an Australian Retirement Trust Income Account and your account will be invested in the nearest equivalent investment option to what you already have in the APSS, so changes will be minimal. There will be more investment options to choose from, and daily investment switching if you wish, and some more flexibility around payment frequencies for your pension income.</p> <p>If you have an APSS Rollover account, an APSS Spouse account or you are an employee member of the APSS with a Member Savings account, your APSS account will also transfer to the equivalent Australian Retirement Trust investment choice. This is all outlined in the member booklet issued in early March 2022.</p> <p>If members aren't making additional contributions, Australian Retirement Trust offers more flexibility to accept employer contributions if members have a different employer outside Australia Post or associated employers, unlike in the APSS.</p>
<p>10. Existing Sunsuper membership</p> <ul style="list-style-type: none"> • If the merger progresses, will my APSS account be combined with my current Sunsuper account? 	<p>This depends, in part, on whether you're an Australia Post employee member or not.</p> <p>If you are an employee member in the APSS, with an</p>

	<p>existing Australian Retirement Trust account, your APSS account will <u>not</u> be consolidated into your Australian Retirement Trust account. You will of course have the option to consolidate this if you wish after the merger.</p> <p>If you're <u>not</u> an employee-member of the APSS, and you have a Rollover or Spouse account in the APSS, then your APSS account balance will be transferred directly into your Australian Retirement Trust account to avoid paying duplicate fees.</p> <p>Your APSS balance will also be invested into the equivalent Australian Retirement Trust investment option, if it's different to your investment choice for your existing Australian Retirement Trust account.</p> <p>However, if you are a Pension Member, your APSS Pension account will not be combined with your existing Australian Retirement Trust Income account – they will continue to operate separately.</p>
<p>11. APSS and Sunsuper investment performance</p> <ul style="list-style-type: none"> • How APSS performance compares to other funds over the last 10 years and whether APSS is under performing • In relation to the Sunsuper merger, can you give me the comparison between APSS and Sunsuper returns over the last 10 years? • How does APSS Returns compare with other Top Performers?* • How does Australian Retirement Trust and its forebears compare with APSS returns in the past five years?* • Reviewing the Credit Interest from July 2021 to 1 February 2022, the returns on Conservative and Balanced are very disappointing. Can APSS explain what they are doing to improve?* 	<p>The four APSS investment options have different performance histories, as they commenced at different times. The Balanced and Cash options have ten-year histories but the Conservative and High Growth options were introduced more recently.</p> <p>In relation to how APSS's performance compares to other funds, the widest survey of other funds that is tracked in the APSS is Money Magazine's workplace superannuation survey.</p> <p>Over 10 years to the end of last financial year APSS's Balanced option return of 7.9% per annum is around the median for the balanced fund category. How APSS compares to other funds can vary if it is measured over different timeframes and at different end-points.</p> <p>The 10 year return on Sunsuper's balanced investment option to 30 June last year was 9.1% per annum. Sunsuper, which has since merged and is now part of Australian Retirement Trust, is one of Australia's consistently high performing funds⁵.</p> <p>Comparisons between the APSS's investment returns and those of Australian Retirement Trust and its forebearer,</p>

⁵ SuperRatings Fund Crediting Rate Survey December 2021

	<p>Sunsuper, over other time-periods are provided in the Significant Event Notices mailed to all APSS members and accessible on the APSS website, apss.com.au.</p> <p>The APSS Conservative and Balanced investment options have minimum recommended investment timeframes of three years and five years, respectively. Over short timeframes, their investment returns depend on prevailing market conditions. In late 2021 and into early 2022, both share and bond markets became more volatile in response to factors such as elevated US inflation data and the economic fallout from Russia's invasion of Ukraine. The APSS's Conservative and Balanced options were affected by share and bond market volatility but performed about in line with peer fund benchmarks over the period from 1 July 2021 to 1 February 2022.</p>
<p>12. Recent increase in APSS investment costs</p> <ul style="list-style-type: none"> • Why are fees going up? And will fees and charges go up more after merger? • Why is APSS asking to pay more money to advisers? • Why our indirect fees just about doubled since December? 	<p>The references to fee increases in fact refer to the rise in the APSS's indirect investment costs reported for the 2020-21 financial year. These costs were incurred to invest the APSS's money in financial markets to earn investment returns for members and include fees paid to investment managers, transaction costs like brokerage, advisory costs and fees for asset safekeeping.</p> <p>In funds management, higher fees tend to be paid where a more specialised skill is required to invest successfully and this can be specific to different asset classes. The most specialised and highest fee asset class in our portfolio is private equity, which is an investment into privately-owned companies. A private equity investment involves active participation in running or restructuring the company, and that takes a lot of skill.</p> <p>Private equity manager fees are closely tied to the investment performance. These fees are agreed at the beginning, when we first placed capital with the fund manager, which can be 10 or more years in the past.</p> <p>Last financial year, APSS' private equity investments gained over 50% in value, <u>after fees</u>. While APSS members were net beneficiaries of this gain, the APSS Trustee is required to notify members if fees or costs go up for any reason. This was the reason members were notified about the indirect costs increase earlier in 2022.</p>

	<p>It is expected that investment-related fees and costs will generally go down after the merger. The information issued to members about the merger includes detailed comparisons between costs related to the APSS investment options and Australian Retirement Trust.</p>
<p>13. Retirement age and pension payments</p> <ul style="list-style-type: none"> • At what age can you retire and start receiving payments, and, once retired, can you defer payments for years until you need it? 	<p>Members can open an APSS Pension account once they reach preservation age.</p> <p>Preservation age depends on the year of birth. For example, if members were born after 30 June 1964 or later, they can start to receive payments from a pension account once they turn 60 even if they are still employed. The age lowers if members are born before 30 June 1964.</p> <p>Opening a pension account doesn't require a member to fully retire – it can be opened once a member reaches Preservation Age even if still working, which is called a 'transition to retirement' pension.</p> <p>Once a pension account is opened, a member is required to receive a minimum amount, by law, each year and that amount will depend on the age of the member. For the current financial year, the minimum requirement is to withdraw 2% of a pension account balance each year if you are under age 65 at 1 July in that financial year.</p> <p>And over age 65, there are different minimums you must withdraw from your account depending on how old you are at 1 July each year. Once a pension account is opened, the income you draw from that pension account can't be fully deferred, as you must withdraw the minimums each year.</p> <p>But a member can defer the commencement of a pension until it suits.</p> <p>If you require further assistance, you may wish to seek the advice of a professional financial adviser. Once the merger occurs, you can call Australian Retirement Trust at 1800 652 643.</p>

<p>14. Pension account terms after the merger</p> <ul style="list-style-type: none"> • Will pension terms be the same as Sunsuper’s under the proposed merger, or replicate APSS’s?” 	<p>The pension terms will be those of Australian Retirement Trust’s pension product (called an Income Account), which are very similar to the APSS’s Pension.</p> <p>Members will have more investment options to choose from in Australian Retirement Trust (up to 19), but if members currently have an APSS pension account, or a member savings balance of any kind in the APSS, it will transfer automatically to the nearest equivalent Australian Retirement Trust investment option.</p> <p>There is also the added flexibility of receiving income payments twice per year in the Australian Retirement Trust’s income account, which is not currently available in the APSS.</p>
<p>15. Investment Switching</p> <ul style="list-style-type: none"> • Due to volatile markets why has APSS got a set date for investment change over that could be up to four weeks. QSuper had a change-over in five days?* 	<p>Currently APSS members can switch investment choices on a fortnightly basis. There will be a limited service period from 22 April 2022 until mid-May 2022, while the APSS merges into Australian Retirement Trust. After that, members will have the option to switch investment options on a daily basis if they so choose.</p> <p>The merger between Sunsuper and QSuper to form Australian Retirement Trust was different to the APSS’s merger because Sunsuper and QSuper did not combine their investment options and administration systems immediately at the date of their merger.</p>
<p>16. Nomination of APSS Directors</p> <ul style="list-style-type: none"> • Why are APSS members who are no longer AP [Australia Post] employees not given a chance to nominate directors in the same way AP and unions? Particularly given how fees were transferred from AP to individuals.* 	<p>The APSS Trustee has equal employer and employee representation as required by law, and also has an independent director, who acts as the Chairman. All directors are required to manage the APSS to serve the best financial interests of all APSS members, regardless of the body that nominates them.</p>

<p>17. New APSS members</p> <ul style="list-style-type: none"> Why is the APSS not joining new members?* 	<p>In 2012, Australia Post informed the APSS Trustee that it will no longer be offering APSS defined benefit super to its new employees. Therefore, from this date, the APSS Trustee could no longer accept new employee members in the APSS.</p> <p>Instead of electing to admit new members from the wider community, which would have required the APSS to convert to a public offer fund, it was found to be more advantageous to merge with an established and large fund, Australian Retirement Trust, with its membership of over 2 million.</p>
<p>18. Consideration of former APSS employees in the merger decision</p> <ul style="list-style-type: none"> I would like to see more consideration given to former employees many who worked for Post for over a decade, we are simply being transferred.* 	<p>The decision made by the APSS Trustee to merge with Australian Retirement Trust was required to be made in full consideration of best interests for all APSS members, including former employees who are APSS Rollover or Pension members. The law requires that a merger can only go ahead if the trustees of both the transferring fund (i.e. APSS) and the receiving fund (i.e. Australian Retirement Trust) are:</p> <ul style="list-style-type: none"> satisfied that the transferring member's rights to benefits upon transfer are on an overall basis at least equivalent to those offered in the current fund (in this case, APSS) in respect of the benefits; and of the opinion that the transfer will be in the best financial interests of members of both funds when considered as a whole. <p>Former Australia Post employees in the APSS will gain access to a wider range of choices, services and support in Australian Retirement Trust, with greater flexibility in the way you can transact. Administration fees are comparable but set to be reduced in Australian Retirement Trust from 1 July 2022, whereas the APSS would have needed to raise its administration fees on Rollover, Pension and Spouse accounts to cover costs if it continued to operate alone in the long-term.</p>
<p>19. Bitcoin investments</p> <ul style="list-style-type: none"> Does APSS invest in Bitcoin assets?* 	<p>No, the APSS has no investments in Bitcoin assets.</p>

20. Member Investment Choice, switching investment options

- Do members elect how their funds are invested before the merger?*
- What are the investment options and the retirement funds withdraw options after your retirement?*
- I am currently in a cash investment, whilst Ukraine situation is occurring. Can I change as easily when I choose to switch back to a balanced option and will it be delayed by the switch to ART.*

Members can elect how their member savings in the APSS are invested between our four investment options: High Growth, Balanced, Conservative and Cash, or any combination of the four. Members do not make an investment election about their defined benefits because they are determined by a formula based on employment service and salary, not investment returns.

Investment choice can be exercised before the merger, up to the commencement of a limited service period from 22 April 2022 through to mid-May 2022. This is required to ensure the uninterrupted, secure transfer of members' account records to Australian Retirement Trust. APSS member savings balances will be automatically transferred to the Australian Retirement Trust investment option that is equivalent to your existing APSS investment option. After the limited service period, you will be able to select from any of the other Australian Retirement Trust investment options, if you wish.

The member guide issued to you in early March 2022 (also available for download at apss.com.au) has the full details of how investment options compare between the APSS and Australian Retirement Trust. These member booklets also outline, in detail, the options available to you if you retire, or otherwise cease employment, after the transition to Australian Retirement Trust. You can also visit australianretirementtrust.com.au for further information about their retirement income products.

You won't be able to switch investment options during the limited service period. Whilst the war in Ukraine has affected financial markets recently, there are always likely to be economic or geopolitical events at any given time and we continue to encourage members to make investment choices according to their investment timeframes because markets are very unpredictable in the way that they move in response to these events in the short-term. If you do not believe that you are in the best investment option for the long-term, you will be able to switch into another APSS option up until 22 April 2022 or into another Australian Retirement Trust option after mid-May 2022 when the limited service period ends.

<p>21. Investment return allocation after the merger</p> <ul style="list-style-type: none"> • How will the return for FY22 be accounted for since the merger happens end of quarter 3 of FY22?* 	<p>In respect of investment returns in APSS Employee Member Savings, Rollover, Spouse or Pension accounts over the transfer, members will receive investment returns in the APSS up to and including the final business day of the transfer, being 29 April 2022. After the transfer, from the next business day, being Monday 2 May 2022, investment returns will be allocated to all member accounts by Australian Retirement Trust from that day forward.</p>
<p>22. Government lobbying</p> <ul style="list-style-type: none"> • Regarding Pension Payments will our fund lobby the Government to extend the minimum drawdown requirement by 50%?* 	<p>The APSS Trustee generally would not lobby the Government directly on such matters. We support constructive engagement between superannuation fund associations, Government and Government agencies.</p> <p>In its May 2023 budget statement, the Government has in fact announced the extension of the temporary 50% reduction on minimum drawdown rates for superannuation pension accounts, until 30 June 2023.</p> <p>We suggest you contact your local Member of Parliament if you still wish to raise your concerns on this particular matter.</p>