

<Mailing_Date>

<Title> < Given_Names> <Surname>
< Address_Line_1> < Address_Line_2>
<Suburb> <State> <Postcode>

APSS Number: <Member_Number>

Dear <Salutation>,

Important changes affecting the Defined Benefits in the Australia Post Superannuation Scheme (APSS)

Australia Post has notified PostSuper Pty Ltd, the Trustee of the APSS, of its intention to introduce two changes affecting certain Defined Benefit members from 1 July, 2014. These changes are:

1. Removal of Average Weekly Ordinary Time Earnings (AWOTE) indexation from Superannuation Salaries for Award employees who are APSS Defined Benefit members.
2. Reduction in the defined benefit accrual period while on approved leave without pay (LWOP) from 12 months to 28 days in most circumstances.

The changes introduced by Australia Post will apply to your future benefit growth in certain circumstances and will not reduce your accrued APSS defined benefit at 30 June 2014. The details explaining these changes to employees were set out in a Staff Information Bulletin that was issued by Australia Post on 26 March 2014. The purpose of the attached Significant Event Notice (SEN), issued by the APSS Trustee, is also to notify you of the changes being made by Australia Post.

Where can I get more information?

If you have any questions or concerns, you will need to contact Australia Post directly:

- Email at superannuation2014@auspost.com.au or
- Superannuation 2014 hotline on **1800 106 245**, between 8.30am and 5.30pm (Melbourne time).

The APSS **does not** hold any data or information concerning AWOTE indexation of APSS Superannuation Salaries and whether your Superannuation Salary is affected by the change. The APSS also does not administer any LWOP applications or have detailed information concerning your LWOP arrangements or entitlements.

Yours sincerely



APSS Member Services

Significant Event Notice

For Australia Post employee members (including Decipha but excluding CSS members)

Australia Post has notified PostSuper Pty Ltd, the Trustee of the Australia Post Superannuation Scheme (APSS), of its intention to introduce the following two changes affecting the 14.3% and SG Defined Benefit membership categories, effective from **1 July, 2014**:

1. Removal of AWOTE indexation from Superannuation Salaries for Award employees who are APSS Defined Benefit members.

What happens now?

Australia Post has advised that, in certain situations, it currently applies Average Weekly Ordinary Time Earnings (AWOTE) indexation to Superannuation Salaries of Award employees prior to the salary information being sent to the APSS for employees whose salaries do not grow (or reduce) from one birthday to the next, or grow at a rate less than the salary increases under the relevant Australia Post Enterprise Agreement. The process of applying AWOTE indexation results in Superannuation Salary for relevant Award-level employees being higher, and at times growing faster, than actual salary.

The 'Superannuation Salary' is used to calculate your defined benefits in the APSS. As an Australia Post employee, your Superannuation Salary is based on payroll information provided to the Trustee by Australia Post.

The 'AWOTE Index' is the Australian Bureau of Statistics' measure of one week's average full-time earnings for an adult employee (before tax and other deductions) and is commonly used to reflect changes in wage levels in the Australian labour market.

What's changing?

Australia Post has notified the Trustee that it will no longer apply AWOTE indexation to the Superannuation Salary that it advises to the APSS from 1 July 2014. You will need to refer to the Staff Information Bulletin issued on 26 March, 2014 by Australia Post for further details about this change.

What stays the same?

Australia Post has confirmed that this change will not be applied to reduce any past AWOTE indexation or to reduce your current Superannuation Salary.

2. Reduction in the defined benefit accrual period while on approved leave without pay (LWOP) from 12 months to 28 days.

What happens now?

Currently, eligible Defined Benefit members on approved leave without pay (LWOP) continue to accrue their APSS defined benefit at the salary rate that applied immediately prior to the period of approved leave, up to a maximum period of 12 months.

What's changing?

From 1 July 2014, Australia Post has reduced this accrual period during approved LWOP from 12 months to 28 days except in the circumstances described below.

Furthermore, from 1 July 2014, defined benefit accruals for eligible Defined Benefit members on approved periods of maternity, paternity or adoption leave will be capped at 12 months in total, inclusive of any paid or unpaid periods.

Australia Post has exercised its discretion to amend the APSS Trust Deed (Deed of Modification number 14) to incorporate this change. The Trust Deed and Deed of Modification number 14 can be found at apss.com.au.

What stays the same?

These changes are not retrospective and will not reduce your accrued defined benefits in the APSS. The existing 12 month defined benefit accrual period will also continue to apply during approved LWOP periods that commenced prior to 1 July 2014, even if the period ends after 1 July 2014.

Australia Post has advised its employees that these changes will also not impact APSS defined benefit members who take approved LWOP due to illness, even if their leave period commences on or after 1 July 2014.

The APSS will continue to provide Death and Total Permanent Disablement (TPD) cover for up to 12 months of approved LWOP for members eligible for 14.3% Defined Benefits. (SG members are provided with death cover only).