

Dear [member]

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 reduce the defined benefit accrual period while on approved leave without pay (LWOP) from 12 months to 28 days in most circumstances, effective from 1 July 2014. Australian Air Express has also agreed to this change.

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 purpose of the attached Significant Event Notice (SEN) by the APSS Trustee is to notify you of the changes being made by Australia Post.

Please note that different arrangements may also apply in the Qantas Superannuation Plan to any members whose defined benefits are transferred to that plan.

If you have any questions or concerns, please email: payrollfreight@qantas.com.au. The APSS **does not** administer any LWOP applications or have detailed information concerning your LWOP arrangements or entitlements.

Yours sincerely

A handwritten signature in black ink, appearing to be 'KSA' or similar, written in a cursive style.

APSS Member Services

Significant Event Notice

For AaE (Qantas) employee members

Australia Post (and Associated Employers) has notified PostSuper Pty Ltd, the Trustee of the Australia Post Superannuation Scheme (APSS), of its intention to introduce the following change affecting your Defined Benefits in the APSS from **1 July, 2014**:

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.

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).