APSS Pension Rules for pre-retirement members and post 65 employee members

The Trustee has prescribed the following rules for the purposes of Rule 4.5 of Schedule 1 of the Trust Deed governing the Australia Post Superannuation Scheme.

These Rules are effective on and from 1 July 2020. These Rules may be amended or revoked from time to time by resolution of the Trustee.

1. Definitions

Beneficiary Account Rules means the 'Rollover Accounts and Account Based Pension Accounts Rules' made by the Trustee from time to time pursuant to Rule 8 of Schedule 1 of the Trust Deed.

Member Savings means:

(a) in respect of a Full Member, Class A or Class B Statutory Member – the balance of any accumulation style account comprising the Member's Member Financed Benefit (if any);

(b) in respect of an eligible spouse of a Member within the meaning of Rule 10 of Schedule 1 of the Trust Deed – the balance of the person's Spouse Account (if any); and

(c) in respect of a person who has a Rollover Account within the meaning of the Beneficiary Account Rules – the balance of the person’s Rollover Account (if any).

Pension Requirements means:

(a) in relation to a Pre-Retirement Pension – the requirements or standards imposed under SIS Regulations 1.06(1) and 1.06(9A)(a) and paragraph (b) of the 'transition to retirement income stream' definition in SIS Regulation 6.01; and

(b) in relation to an Allocated Pension – the requirements or standards imposed under SIS Regulations 1.06(1) and 1.06(9A)(a).

Other capitalised terms have the same meaning as in the Trust Deed or the Beneficiary Account Rules (as applicable).

2. Election by Member to receive Pre-Retirement or Allocated Pension

2.1 A Member who has attained his or her preservation age may in a form approved or acceptable to the Trustee elect to commence a 'transition to retirement income stream' (within the meaning of Superannuation Law) under the Beneficiary Account Rules and these Rules (a ***Pre-Retirement Pension***).

2.2 A Employee Member who has attained age 65 and is still in Service may in a form approved or acceptable to the Trustee elect to commence an Account Based Pension under Beneficiary Account Rules and these Rules (an ***Allocated Pension***).

2.3 Subject to Superannuation Law, a Pre-Retirement Pension shall be payable in accordance with the Pension Requirements and on the terms and conditions under these Rules and the Beneficiary Account Rules (insofar as applicable to Account Based Pensions), save that:

(a) the pension shall not be commutable except as permitted under Superannuation Law; and

(b) the total pension payments in a financial year may not exceed the maximum amount prescribed under Superannuation Law.

2.4 Subject to Superannuation Law, an Allocated Pension shall be payable in accordance with the Pension Requirements and on the terms and conditions applicable under these Rules and the Beneficiary Account Rules (insofar as applicable to Account Based Pensions).

2.5 Subject to Superannuation Law and unless the Member instructs otherwise or the Trustee determines otherwise, the Trustee may treat a Member's Pre-Retirement Pension as having been converted to an Allocated Pension that is payable in accordance with Rule 2.4 upon the Member attaining age 65 or satisfying another condition of release under Superannuation Law in respect of which the cashing restriction for preserved benefits and restricted non-preserved benefits is ‘Nil’.

3. Account to provide Pre-Retirement or Allocated Pension

3.1 Where a Member has made an election under Rule 2, the Trustee must transfer to an Account Based Pension Account in the name of the member (a ***Pension Account***) the amount which the Member has nominated to be credited to their Pension Account.

3.2 The minimum amount necessary to establish a Pension Account is $20,000 or such other amount as the Trustee may determine from time to time.

3.3 No part of the Employer Financed Benefit shall be transferred to the Pension Account under Rule 3.4 unless and until the entire balance of the Member's Member Savings, if any, are transferred to the Pension Account.

3.4 Subject to Rule 3.5, in relation to a Member who is still in Service, the maximum amount of the Member's accrued Employer Financed Benefit which may be transferred to the Pension Account is one half of the value of the accrued Employer Financed Benefit as determined by the Trustee at the date of the Member's election under Rule 2.

3.5 Rule 3.4 is subject to the following:

(a) for the purposes of Rule 3.4, an amount of the Member's accrued Employer Financed Benefit, up to the maximum amount available to be transferred, may only be transferred to a Pension Account on one occasion in each financial year; and

(b) where the Member has an existing offset account balance, in determining whether a Member has reached the maximum amount available to be transferred for the purposes of Rule 3.4, the Trustee must:

(i) determine the value of one half of the Member's total accrued Employer Financed Benefit, without adjusting for any offset accounts (Half DB Amount); and

(ii) then deduct the balance of all offset accounts from the Half DB Amount,

to determine the maximum amount available to be transferred (if any).

For the avoidance of any doubt, 'all offset accounts' includes any kind of offset account, including 'Surcharge,' 'Other Offset' and 'Family Law' offset accounts.

4. Reduction in Employer Financed Benefit

4.1 Where any amount attributable to the Member's accrued Employer Financed Benefit is transferred to the Pension Account under Rule 3.4, the Trustee must maintain a notional account in respect of the member and debit such account with the amount of the Employer Financed Benefit transferred to the Pension Account, and shall debit or credit (as the case may require) the notional account with an amount (which will be debited if the employer financed asset crediting rate is positive or credited if the employer financed asset crediting rate is negative) on the debit balance of the notional account (including any amount to be debited to the notional account under this paragraph) at the employer financed asset crediting rate (whether positive or negative) from time to time.

4.2 Amounts to be debited or credited under this Rule 4 shall be debited or credited when Members' Member Savings are debited or credited with the rate of earnings or at such time or times as the Trustee shall determine from time to time.

4.3 Where the Employer Financed Benefit becomes payable to or in respect of a Member (including where the benefit is to be transferred to a Rollover Account or rolled over to an Approved Arrangement), the benefit payable to or in respect of the Member shall be reduced by the debit balance of the notional account maintained by the Trustee under this Rule 4.

5. Termination of Pre-Retirement Pension

5.1 Subject to Superannuation Law, a Member may elect by notice in writing to the Trustee to terminate a Pre-Retirement Pension in whole or in part.

5.2 Where a Member makes an election under Rule 5.1, the Pension Account shall be debited with the amount determined by the Trustee (after taking the advice of the Actuary) is appropriate to be transferred back into the unallocated part of the Scheme and/or to the Member's Member Savings, if any.

5.3 No amount shall be transferred back to the Member's Member Savings, if any, unless and until the notional account maintained in respect of the member under Rule 4 is reduced to nil.

5.4 Any amount transferred back to the unallocated part of the Scheme shall be debited to the notional account maintained under Rule 4 in respect of the Member.

6. Minimum standards applicable to all APSS Pensions

For the avoidance of doubt, the following apply in respect of any Pre-Retirement Pension or Allocated Pension payable from the Fund:

(a) the capital supporting the pension may not be added to by way of contribution, rollover or transfer after the pension has commenced;

(b) the pension may only be transferred to another person on the death of the relevant beneficiary (primary or reversionary, as the case may be); and

(c) the capital value of the pension and the income from it cannot be used as security for a borrowing,

unless Superannuation Law permits.