

Rollover Accounts and Account Based Pension Accounts Rules

These Rules were made in accordance with Rule 8 of Schedule 1 of the Trust Deed of the Australia Post Superannuation Scheme for the establishment of Beneficiary Accounts. These Rules were approved by the Trustee on 12 June 2020. The Rules apply on and from 1 July 2020.

1. Definitions

Account Based Pension means a pension (which may also be called an allocated pension) of the form provided under Rule 4.

Account Based Pension Account means a Beneficiary Account which arises as a result of a transfer or transfers under Clause 10.3 of the Trust Deed and contributions (if any) made to that account, the entitlement under which is payable primarily in the form of an Account Based Pension under Rule 4.

Investment Option means an Investment Option as defined in the Member Investment Choice Rules.

Member Investment Choice Rules means the rules made by the Trustee in accordance with Clause 8.5(c)(ii) of the Trust Deed as amended from time to time.

Rollover Account means a Beneficiary Account which arises as a result of a transfer or transfers made under Clause 10.3 of the Trust Deed or otherwise made pursuant to these Rules and contributions (if any) made to that account, the entitlement under which is payable primarily in the form of a lump sum.

SIS Regulations means the *Superannuation (Industry) Supervision Regulations 1994* (Cth).

Other capitalised terms have the same meaning as in the Trust Deed.

2. Establishment of Subfunds

In accordance with Clause 8.4(a) and Rule 8(c)(iii) of Schedule 1 of the Trust Deed, the Trustee, having received the approval of the Corporation, establishes the following Subfunds in relation to Beneficiary Accounts:

- (a) a Subfund, to be known as the **Rollover Subfund**, in respect of Rollover Accounts; and
- (b) a Subfund, to be known as the **Account Based Pension Subfund**, in respect of Account Based Pension Accounts.

3. Establishment of Beneficiary Accounts

The Trustee, having received the consent of the Corporation, establishes the categories of Beneficiary Accounts comprising Rollover Accounts and Account Based Pension Accounts

in accordance with Rule 8(a) of Schedule 1 of the Trust Deed, to be operated in accordance with that Rule 8 and the following Rules. These Beneficiary Accounts are available to all Members and Beneficiaries.

4. Operation of Account Based Pensions

In accordance with Clause 18.1(b) of the Trust Deed, the Trustee, having regard to the advice of the Actuary, prescribes the following rules for the operation of a class of pensions (referred to as Account Based Pensions under these Rules).

- (a) Each Account Based Pension will operate by reference to the balance of a Beneficiary Account (to be known as an Account Based Pension Account) held in the name of the recipient of the Account Based Pension.
- (b) The initial balance relating to an Account Based Pension Account is determined as the amount of the transfer under Clause 10.3 of the Trust Deed, which must exceed \$20,000.
- (c) An Account Based Pension Account is maintained in the same way as Beneficiary Accounts generally, particularly in respect of the credits and debits provided under Rules 8(d) and (e) of Schedule 1 of the Trust Deed.
- (d) The recipient of an Account Based Pension must nominate in respect of each year of income the amounts of and dates at which payments are to be made. The amount of pension and the manner of payment of pension are subject to the requirements of the SIS Regulations.
- (e) The recipient of an Account Based Pension may nominate, under the same conditions that apply in Rule 8(r) of Schedule 1 of the Trust Deed, an eligible dependant of the recipient under Superannuation Law to whom a pension will be payable upon the death of the recipient from the balance of the Account Based Pension Account (**Reversionary Beneficiary**). Such pensions are to be paid in accordance with Rules 8(r) and (s) of Schedule 1 of the Trust Deed as Account Based Pensions, or commuted for a lump sum at the election of the Reversionary Beneficiary or as required by Superannuation Law.
- (f) The holder of an Account Based Pension Account to which more than one Investment Option applies may, by notice in writing to the Trustee in a form approved by the Trustee, select the Investment Option, or combination of Investment Options and the proportion of each, from which Account Based Pension payments are to be made in respect of that account. If the recipient does not make this selection, the Trustee will make payments from each Investment Option on the basis of the proportion to which each Investment Option applies to the recipient's Account Based Pension Account.
- (g) In the event that the Trustee receives a 'commutation authority' from the Commissioner of Taxation under Subdivision 136-B of Schedule 1 to the *Taxation Administration Act 1953* (Cth) (as amended or replaced from time to time) in respect of a recipient of an Account Based Pension, the Trustee will comply with the 'commutation authority' and, in the absence of an express instruction to the

contrary from the affected Member, will transfer the 'reduction amount' specified in that 'commutation authority' to a Rollover Account in respect of the Member (and the Trustee shall be authorised to create a new Rollover Account in respect of the Member if necessary). For the purposes of the Member Investment Choice Rules, the affected Member shall be deemed to have made an election to invest that transferred amount in the Rollover Account in the Investment Option (or Options) which are the same (and in the same proportions) as the Investment Options in which the Member's Account Based Pension was invested immediately before the transfer of the 'reduction amount'.

5. Operation of Beneficiary Accounts

In relation to Rollover Accounts and Account Based Pension Accounts, the Trustee, having regard to the advice of the Actuary, prescribes the following rules in accordance with Rule 8(c)(ii) of Schedule 1 of the Trust Deed:

- (a) Member Investment Choice Rules apply to a Member who is a Beneficiary and the Investment Option in which their account is invested will be determined in accordance with those rules.
- (b) The rate of return credited or debited in accordance with Rules 8(d)(iv) and 8(e)(i) of Schedule 1 of the Trust Deed will be determined in accordance with the Member Investment Choice Rules and the Trustee's Crediting Rate Policy (as made by the Trustee and amended from time to time) by reference to the proportions allocated to each Investment Option.
- (c) A Beneficiary may make contributions in accordance with Rule 8(d)(ii) of Schedule 1 of the Trust Deed subject to the requirements of Superannuation Law.
- (d) Notwithstanding any provision in these Rules to the contrary, the Trustee must accept any contribution in respect of a Rollover Account of a Beneficiary where such contribution is permitted to be made to a corporate MySuper Product (as that term is defined in section 10(1) of SIS) under Superannuation Law. This includes, for example, employer contributions from the Corporation or an Associated Employer.
- (e) A Beneficiary may transfer amounts, or the value of assets, to his or her Rollover Account or Account Based Pension Account (as the case may be) from an Approved Arrangement in accordance with Rules 8(d)(iii) and 8(f) of Schedule 1 of the Trust Deed, subject to the requirements of Superannuation Law. Where assets are transferred under this Rule, the value of those assets will be the value agreed between the Beneficiary and the Trustee.
- (f) The minimum amount specified for payment in a request made under Rule 8(g) of Schedule 1 of the Trust Deed is the lower of \$1,000 and the balance of the Beneficiary Account. In addition, the amount so specified must leave a minimum balance of \$1,000, unless the whole of the balance is specified.

6. Transfers to Rollover Accounts

- (a) In relation to a Member who is an Employee of an Associated Employer, the Trustee may pay, transfer or credit an amount reflecting the value of a Member's accrued benefit entitlements in the Scheme (or such part of those entitlements as the Trustee may determine) to a Rollover Account in respect of the Member where the relevant Associated Employer has ceased (or intends to cease) its participation in the Scheme as an Associated Employer and the Member has not given valid transfer or payment instructions for the relevant amount within 60 days of the Member being given notice of the Trustee's intention to transfer the amount to a Rollover Account, or such other period as the Trustee may from time to time prescribe.
- (b) The transfer of any amount to a Rollover Account in respect of an existing Member will be in accordance with such rules, procedures or arrangements as may be determined by the Trustee and notified to relevant Members from time to time.
- (c) Nothing in this rule limits Clause 10.3 of the Trust Deed or the other circumstances contemplated in that clause under which the Trustee may transfer amounts or benefits to a Rollover Account.

7. Amendment to Rules

These Rules may be amended by the Trustee by resolution at any time and from time to time.

8. Application of Superannuation Law

These Rules are subject to the provisions of the Trust Deed and Rules relating to the Fund and any requirement or provisions of Superannuation Law relating to the making of investment choices available to Members of the Fund, and to the extent of any inconsistency, the provisions of the Trust Deed and Rules and the requirements or provisions of Superannuation Law prevail.