

>>12 October 2014<<

>>Member Name<<

>>Member Address line 1<<

>>Member Address line 2<<

Dear >>Title and Surname<<

TRANSFER OF YOUR SUPER ARRANGEMENTS

In May 2013 we wrote to you to let you know about the proposed changes to your future super arrangements.

We advised you that Qantas Airways Ltd had acquired Australia Post's interest in Australian air Express (AaE), that AaE would cease to be an 'Associated Employer' of the Australia Post Superannuation Scheme (APSS), and that AaE employee members and their benefits in the APSS would be required to transfer out of the APSS.

Following a review and tender process, the Qantas Superannuation Plan (Qantas Super) was approved as the new fund for AaE employee members and their spouses.

This letter provides you with further detail about the transfer of your defined benefit entitlements in the APSS to Qantas Super and what will happen to your Pre-Retirement Pension (PREP) and any Member Savings you have in the APSS following the transfer.

Please note that the transfer of your defined benefit super is still subject to employer approval and finalisation of outstanding matters. We will notify you of any material changes from the arrangements described in this letter including any changes to the proposed transfer date.

What do I need to do?

You don't need to do anything about your defined benefit super or APSS PREP Account.

The transfer of your **defined benefit** super to Qantas Super on **1 November 2014** will be automatic if you are an AaE employee on that date, or you ceased employment with AaE before that date but the APSS has not received a benefit payment request from you by 1 November 2014. You will receive a confirmation letter or final statement from the APSS (as applicable) confirming the transfer of your benefits.

Your **PREP Account** will remain in the APSS and you will continue to receive your pension payments on a regular basis, as nominated by you. See page 4 for more information.

However, if you currently have an **Employee Member Savings Account** in the APSS, you need to carefully consider the options outlined in the attached Significant Event Notice (SEN) and make a choice. You should complete and return the relevant paperwork by **12 December 2014**. If you do not make a choice, the balance of your APSS Employee Member Savings Account will automatically be transferred to an APSS Rollover Account.

In the coming week, you will receive a 'welcome pack' from Qantas Super providing further information on your super entitlements and options within that fund.

Further information

Please contact SuperPhone on **1300 360 373** or visit **apss.com.au** to send us an email via the 'contact us' page.

Yours sincerely,



APSS Member Services

The Trustee of the

Australia Post Superannuation Scheme

is **PostSuper Pty Ltd** ABN 85 064 225 841

RSE Licence Number L0002714

APSS Registration Number R1056549

Your APSS defined benefits

How will the transfer occur?

Your defined benefit super in the APSS will be transferred to Qantas Super on a 'successor fund' basis. This means that the APSS Trustee and Qantas Super trustee have agreed that Qantas Super will provide you with rights in respect of the defined benefits being transferred that are equivalent to those currently provided in the APSS. **The transfer of your defined benefit super from the APSS to Qantas Super will happen automatically.**

When will the transfer occur?

The transfer is scheduled to take place on **1 November 2014**. If you are an AaE employee on this date, then your defined benefit super entitlements in the APSS will cease and your defined benefit super will be provided through Qantas Super effective on and from 1 November 2014.

If you have ceased employment with AaE prior to the transfer date, then unless the APSS receives your completed benefit payment request by 1 November 2014, your defined benefit entitlements will also be transferred to Qantas Super. This means that Qantas Super, not the APSS, will be responsible for the calculation and payment or transfer of your defined benefit entitlement.

Important

Please note that no benefit payments from the APSS will be processed during the week from 27 October to 31 October 2014 as final preparations are made for the Qantas Super transfer. So, if you have recently left employment with AaE and would like your benefit payment processed before 31 October, **please ensure we have received your completed benefit payment request by 24 October 2014.**

How does the transfer impact my APSS defined benefits?

You will still receive defined benefit super in Qantas Super. The benefit formula that applies to your defined benefit entitlements upon retirement or ceasing employment with AaE, will not change as a result of transferring to Qantas Super. Any additional death and/or disablement benefits that you may become entitled to in Qantas Super, will also use the same benefit formula that applied in the APSS.

In the coming week, you will also receive a 'welcome pack' from Qantas Super that will provide you with further information about your defined benefits (including any death and/or disablement benefits) in that fund.

When your defined benefit ultimately becomes payable from Qantas Super, it will be calculated taking into account your total period of service with AaE whilst a member of both the APSS and Qantas Super (unless you are an 'opt out' member – refer page 3).

What happens to my APSS offset accounts?

Any offset accounts you may have in the APSS (including family law accounts, surcharge tax accounts, and other defined benefit offset accounts for amounts released early from your defined benefit super on compassionate grounds or for severe financial hardship) will also be transferred across to Qantas Super on **1 November 2014**. Your current obligation to repay the balance of your offset account(s) to the APSS when your defined benefit becomes payable will effectively be transferred to Qantas Super as part of the transfer process, meaning that the trustee of Qantas Super will become responsible for managing your offset account(s), including recovering these amounts from your defined benefit entitlements.

Will I have to pay any fees or costs for the transfer?

No direct fees or costs will apply in relation to the transfer to Qantas Super and the establishment of your benefits in that fund.

What happens to my member records?

Your APSS membership details including your contact details, date of birth, tax file number (TFN) and other personal information we hold about you and your nominated beneficiaries (if any), will be transferred to Qantas Super in order that they can administer your benefit.

If you need to update any of your details with the APSS ahead of the transfer, please contact *SuperPhone* on **1300 360 373** by no later than **24 October 2014**.

Your APSS defined benefits (continued)

Opt out members

Different benefit arrangements currently apply in the APSS for 'opt out' members – that is, members who have 'opted out' of the APSS defined benefit arrangements by choosing another super fund for AaE's employer contributions (called exercising 'choice of fund').

For opt out members, currently their accrued defined benefit prior to exercising choice of fund remains in the APSS until they cease employment with AaE, however this benefit only grows in line with any Final Average Salary (FAS) increases, and does not take into account any service with AaE after the date they exercised choice of fund. Currently, opt out members are also not eligible for any additional APSS death and/or disablement benefits.

All existing opt out members employed by AaE will be included in the transfer to Qantas Super and we understand that the above benefit arrangements will continue to apply to these members in Qantas Super following the transfer.

Catch up members (14.3% defined benefit members)

If you were a full member of the APSS before 1 July 2000 and you did not contribute an average of at least 5% of your after-tax pay to the APSS before this date, you may be yet to 'catch-up' to the maximum defined benefit that you could be entitled to. In the APSS, you currently have the option to 'catch up' by making additional voluntary contributions as a percentage of your super salary from your after-tax pay, in order to maximise your defined benefit in respect of your employment prior to 1 July 2000.

From the transfer date, the relevant Qantas Super governing rules will include provisions that recognise the 'catch up' contributions previously made by members to the APSS, as well as those made to Qantas Super following the transfer.

Read on for important information about your PREP and Member Savings in the APSS.

Your PREP in the APSS

How does the transfer impact my PREP Account?

Your PREP Account will remain in the APSS and you will continue to receive your pension payments on a regular basis, as nominated by you. This applies whether you commenced your PREP using your Member Savings and/or using some of your accrued APSS defined benefit entitlements.

If you commenced your APSS PREP using some of your accrued defined benefits, you will have a PREP Offset Account in the APSS, the balance of which is reported to you each year in your APSS Benefit Statement.

Your current obligation to repay your PREP Offset Account balance to the APSS when your defined benefit becomes payable will effectively be transferred to Qantas Super as part of the transfer process. Essentially, this means that the trustee of Qantas Super will become responsible for managing your offset account and recovering this amount from your defined benefit entitlements.

If you wish to commute some or all of your PREP back to your APSS Employee Member Savings Account, prior to the transfer date of 1 November 2014, you need to submit your request **by Friday 24 October 2014**. Please note that any amounts commuted from your PREP Account back to your Member Savings will first be applied to reduce the balance of your PREP Offset Account.

To learn more about how your PREP Offset Account currently works in the APSS, refer to pages 8-9 of the *Your APSS Pension* product disclosure statement (PDS), available at apss.com.au or by calling SuperPhone on **1300 360 373**. Please note that the PDS describes how the PREP Offset Account currently operates in the APSS (including the investment returns that are applied to the account). Different offset account terms and conditions may apply in Qantas Super. You can contact Qantas Super directly on **1300 362 967** for further information about this.

Your Member Savings in the APSS

How does the transfer impact my Member Savings in the APSS?

Employee Accounts

Once the transfer of your defined benefit super occurs, you will need to tell us by **12 December 2014** where you want the balance of your Employee Member Savings Account transferred to.

You have the following options for your Employee Member Savings Account:

1. Transfer to APSS Rollover Account

You will need to read the enclosed *Your APSS Member Savings at a glance* product disclosure statement (PDS) and complete the *Open a Rollover Account application* form at the back of the document.

Key features of the APSS Rollover Account:

- You can transfer super from other super funds into the Rollover Account.

- You can make after-tax contributions to the Rollover Account, provided that we have your tax file number (TFN). The Rollover Account can also accept Government co-contributions if you are eligible.
- As you are no longer an employee member, AaE (or another employer) cannot make employer contributions for you or salary sacrifice contributions from your before-tax pay to the Rollover Account.
- You can continue your current choice of APSS investment options - either Cash Return or Market Return Member Savings or a combination of both. **If you have not previously advised the APSS of your chosen investment option allocation, we cannot accept any new contributions made by or for you after 1 November 2014 until you make an investment choice.**
- Currently, there are no administration fees that apply to APSS Rollover Accounts.

Your Member Savings in the APSS (continued)

2. Transfer to another complying super fund of your choice

You can use the *APSS Member Savings Transfer Request* form to request the APSS to transfer your Employee Member Savings Account balance to another complying super fund nominated by you. A copy of this form is enclosed with this letter.

The transfer of your super to your nominated fund is subject to you being eligible to make transfers into that fund and the other fund accepting the amount transferred from the APSS for you. You should contact your nominated fund in advance to obtain details of any eligibility requirements or timeframes and complete any additional paperwork required by that fund (particularly if you are not already a member).

Important

If you are considering transferring your account to Qantas Super, please note that Qantas Super will not accept Member Savings transfers into Division 15 of that fund **prior to 1 December 2014**. You can contact Qantas Super directly on **1300 362 967** to discuss your transfer options in that fund.

Therefore, if you want to transfer your Member Savings to Qantas Super, please submit your transfer request **on or after 1 December 2014**. Transfer requests into Division 15 of Qantas Super received by the APSS more than 3 business days before 1 December 2014 (i.e. prior to Wednesday 26 November) will not be implemented. We will notify you if this applies to your requested transfer and let you know your options for re-submitting your request later.

Rollover Accounts

If you already have an APSS Rollover Account, it will remain in the APSS unless you choose to transfer it out of the APSS under Option 2 above.

Spouse Accounts

If your spouse has an APSS Spouse Account, they will receive a separate letter about their options for transferring their account balance.

How are my contributions impacted by the transfer?

Any regular contributions that AaE currently makes into your Employee Member Savings Account or your Spouse's APSS Spouse Account from your before-tax or after-tax pay will cease from **31 October 2014**.

We understand that from 1 November 2014, any regular contributions that AaE currently makes for you from your pay will be made by AaE into your Qantas Super account. If you currently make regular spouse contributions through AaE, you and your spouse should contact Qantas Super directly on **1300 362 967** if you wish to set up a spouse account in that fund.

If you request the transfer of all of your Member Savings into another complying super fund and the APSS receives further contributions for you after the transfer is completed (including regular AaE contributions from your pay prior to 1 November), the APSS will transfer those contributions to your other nominated fund as a second, separate transaction. We will not process this second transfer if your nominated fund did not accept your original transfer from the APSS, or if you requested a partial transfer of your Member Savings only. If you would prefer to wait until AaE's final regular contributions from your pay have been received by the APSS so that your full transfer request can be processed as one transaction, then **you will need to submit your APSS Member Savings Transfer Request form on or after 31 October 2014**.

In addition, if you have not previously advised the APSS of your chosen investment option allocation between Market Return and Cash Return Member Savings, we cannot accept any new contributions made by or for you after the transfer date of **1 November 2014**, until you make an investment choice. Read the enclosed *Your APSS Member Savings at a glance* PDS for details about your investment choices in the APSS. Making your investment choice is easy. All you need to do is call SuperPhone on **1300 360 373** or complete the *Change your investment choice* form available from the *Publications & Forms* section of the website at **apss.com.au**.

Your Member Savings in the APSS (continued)

When will the transfer be processed?

Any transfer of your APSS Member Savings will be processed as soon as we receive your correctly completed paperwork and in accordance with legislative timeframes (if applicable).

If your APSS Member Savings have been transferred to another fund, you will receive a confirmation letter or final statement from the APSS (as applicable) confirming the transfer of your benefits.

Remember

Qantas Super will not accept transfers prior to **1 December 2014**. Refer to 'Option 2' on page 5.

As you will still hold an APSS Pension Account, you will continue to be an APSS member.

If you have elected to retain your Member Savings in the APSS Rollover, you will receive a confirmation letter from the APSS that sets out your decision to transfer into the APSS Rollover Account and the choices for your contributions and investments. Remember that if you haven't previously advised the APSS of your chosen investment option allocation, we can't accept any new contributions made by or for you until an investment choice has been made.

What happens if I don't make a choice?

If you do not make a choice by 12 December 2014 (including returning all completed paperwork), the balance of your Employee Member Savings Account will be automatically transferred to an APSS Rollover Account in your name. A PDS for the APSS Rollover (*Your APSS Member Savings at a glance*) is enclosed. The same investment option allocation between Cash Return and Market Return Member Savings that applies to your Employee Member Savings Account on that date, will apply to your APSS Rollover Account. Your current investment choice for your future contributions will also remain the same. **Remember** that if you haven't previously advised the APSS of your chosen investment option, we can't accept any new contributions to this account until an investment choice is made (refer to 'Option 1' on page 4).

If you want to select or change your investment option(s) in your APSS Rollover Account, please read the enclosed *Your APSS Member Savings at a glance* PDS for details about your investment choices and complete the *Change your investment choice* form, available from the *Publications & Forms* section of the website at apss.com.au, or call SuperPhone on **1300 360 373**.

Things to consider

Before making a decision about transferring your super to the APSS Rollover or another super fund, you should consider the features and options offered by each fund. This includes things like the investment and insurance choices available to you (if any), your options once you cease employment, and the fees and costs that apply in each fund. To assist you with this decision, you may also wish to seek licensed financial advice.

This notice contains general information about the Australia Post Superannuation Scheme (APSS). It is not intended to be financial product advice and does not take your personal circumstances into account. Before acting on any information contained in this document you should first consider its appropriateness to your own circumstances. You may wish to seek the advice of a licensed financial adviser. Neither Post Super Pty Ltd nor Australia Post or any Associated Employers holds an Australian Financial Services Licence and, therefore neither is licensed to provide you with financial product advice.

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