

Defined Benefit 'Post' Account

For members who joined the DB fund after 1 July 1988



About your benefit

What is a Health Super Defined Benefit account?

A defined benefit account is where a member is paid a benefit set out in the governing rules of the fund's trust deed which is usually expressed in the form of a formula linked to final salary. Employers contribute the amount necessary to enable the fund to pay the defined benefit which is determined by the fund's actuary from time to time. In comparison, a defined contribution account (now more commonly known as an accumulation account), employers are required to pay a minimum 9% superannuation guarantee (based upon an employee's salary) into the fund. The benefits ultimately paid from the fund depend on the investment returns on those contributions and the expenses of operating the fund.

In the Health Super Defined Benefit account, benefits are calculated according to the following formula $\text{multiple} \times \text{AFFS} = \text{your benefit}$. The actual benefit paid to you depends on the circumstance in which you leave the Fund (i.e. resignation, retirement, disablement etc).

Your multiple is determined by your contribution rate and your years of membership at the date of exit. If you have worked on a part-time or casual basis, your years of membership are adjusted according to the percentage of full time hours you work.

Why do I have a Health Super Accumulation account too?

Your Health Super Accumulation account (if any) has been designed to receive your Superannuation Guarantee (SG) contributions made by your employer. These contributions are currently set at 9% of your salary. Different rules apply to your Health Super Defined Benefit account and your Health Super Accumulation account, that's why we keep them separate.

How is 'Surcharge' deducted?

If we received a Surcharge tax assessment from the ATO that relates to your Defined Benefit contributions, we automatically deduct the Surcharge amount from your Accumulation account. Surcharge tax was abolished on contributions or amounts made to superannuation after 30 June 2005. However, surcharge assessments may have been received from the ATO after this date. For more information about surcharge, contact us on 1800 331 719.

When a benefit becomes payable

If you become entitled to a benefit from the Defined Benefit scheme, it will be transferred into an Accumulation account in the Fund where it will receive earnings (less relevant fees, costs and taxes) in accordance with your member investment choice or, if you have not made an investment choice, the default investment option applicable to you, until it is paid to you or transferred to another superannuation fund. Earnings can be positive or negative. The benefit will be shown as an internal transfer on your Accumulation Statement. Where Deferred Benefits are selected, you will receive a separate Annual Benefit Statement summarising your deferred entitlement(s) until the entitlements can be paid.

Things that affect your final payment

1. Your Adjusted Final Fund Salary (AFFS)

This is based on your Fund salary as provided to us by your employer. It represents the greater of your average salary over the last two years of service, or your salary at 01/01/1994 if you were a member of the Defined Benefit Scheme at that date. If you work part-time, the equivalent full-time salary (what your salary would have been had you worked full-time) over the last two years is used. Your benefit increases or decreases based on changes to your salary.

2. The date you joined the Health Super Defined Benefit Scheme

3. The date you joined service

This is the date used to determine your 'eligible service period' for taxation purposes when paying your benefits. It is also used to calculate the deferred component of your resignation benefit.

4. The percentage of full-time hours you work

This percentage is provided by your employer and shows the percentage of hours you work compared to the full-time equivalent. This percentage is averaged over two years to determine your AFFS, and the average of the previous financial year to determine your multiple.

5. The amount you have paid

Based on your contribution rate of 0%, 3%, 4%, or 6% (the percentage of your Fund salary that you pay into the Defined Benefit Scheme), this is the total amount of after tax money you have paid into your Defined Benefit Scheme during the current financial year to the date of exit from the Defined Benefit Scheme.

Defined Benefit 'Post' Account

For members who joined the DB fund after 1 July 1988



Things that affect your final payment

6. How you have been medically classified

Your medical classification is used to calculate death and disablement entitlements for your Defined Benefit account. This does not affect any of your other entitlements.

7. Your current multiple

This has been determined by your contribution rate and your years of membership at the date of exit. Different multiples apply depending on the circumstances in which your benefit was taken (i.e. resignation, retirement, disablement etc).

This document is issued by Health Super Pty Ltd ABN 97 084 162 489 AFSL 246492 the Trustee of the Health Super Fund ABN 88 293 440 675 (Health Super). The information contained in this document is of a general nature only. It should not be considered as a substitute for reading Health Super's Member Guide (Product Disclosure Statement) that contains detailed information about Health Super products, services and features. Before making a decision about a Health Super product, you should consider the appropriateness of the product to your personal objectives, financial situation and needs. It may also be beneficial to seek professional advice from a licensed financial planner or adviser. A Health Super Member Guide is available at healthsuper.com.au or by calling 1800 331 719.

