

# Prime Super Pty Limited

## Pensions Policy

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Authorised By	Board Processes

### 1 Glossary

Director	A director of Prime Super Pty Ltd
Fund	Prime Super
Pension	Has the meaning in the Trust Deed.
Pension Account	Has the meaning in the Trust Deed.
Pension Agreement	Has the meaning in the Trust Deed.
Pensioner	Has the meaning in the Trust Deed.
SIS	<i>Superannuation Industry (Supervision) Act 1993</i> (Cth) and Regulations
Trust Deed	The Trust Deed of Prime Super as amended from time to time.
Trustee	Prime Super Pty Ltd

### 2 About This Policy

This policy supplements the Trust Deed and sets out the rules governing Pension Accounts. Unless defined in the Glossary, the defined terms used in this policy have the same meaning as in the Trust Deed.

### 3 Effect of This Policy

Prime Super Pty Ltd is responsible for the efficient and prudent management of the Fund of which it is Trustee.

Deliberate failure to comply with this policy by an employee is considered a breach of the employment contract.

### 4 Pension Accounts established under the Trust Deed

The Trust Deed allows the Trustee to establish and operate a Pension Account in respect of a Member, subject to the Law.

The Trust Deed empowers the Trustee to determine the type, manner or form of a Pension that is to be provided from the Fund under the Trust Deed, subject to the

Law (**Available Pension**), and may specify any additional or ancillary terms, conditions or governing rules applicable to the Available Pension.

By virtue of the Trust Deed, this policy sets out additional terms which are applicable to an Available Pension provided to a Pensioner.

## **5 Management of Pension**

The Trust Deed requires the Trustee to manage any Pension in accordance with the Pension Agreement and the Law. Accordingly, the Trustee:

- (a) may take account of the wishes of the Pensioner; and
- (b) must take account of any actuarial advice and any certificate obtained from an Actuary as to the appropriate amount and manner of the payments of the Pension after taking all relevant factors and assumptions into account, including the Pensioner's life expectancy, the Investment Option guidelines for that Pension, and any prudential requirements under the Law.

## **6 Segregation of Pension Assets**

The Trustee may, and must if required under the Law, in relation to each Pension:

- (a) segregate and set apart assets of the Fund for each Pensioner for the sole purpose of enabling the Fund to discharge the whole or part of any current or non-current liability in relation to the payment of the Pension as those liabilities fall due for payment; and
- (b) obtain a certificate from an Actuary in relation to the adequacy of the segregated assets to meet the current and non-current liabilities as the Trustee considers necessary to satisfy the Law.

## **7 Conditions Applicable to All Pensions**

The following conditions apply to the payment of a Pension from the Fund:

- (a) the Pension must be paid from the balance of the Pension Account of the Pensioner;
- (b) the payments of the Pension must be made at least annually;
- (c) the Pension must not be able to be transferred to any person unless the Law permits; and
- (d) the capital value of the Pension and the income from the Pension must not

be used as security for any borrowing unless the Law permits.

## **8 Variation to Pension Amount**

The Trustee may vary the Pension from time to time in accordance with the Trust Deed.

## **9 Limitation on Pension Amount**

The total instalments of a Pension payable in respect of a Pensioner must not exceed the balance of the Pensioner's Pension Account at the relevant time.

## **10 Death of Pensioner**

Subject to any applicable Pension Rules made in a Pension Agreement and under the Law, if a Pensioner dies leaving an amount in credit in the Pension Account of the Pensioner:

- (a)
  - (i) if a Nominated Beneficiary or Reversionary Beneficiary has been nominated by the Pensioner and the Nominated Beneficiary or the Reversionary Beneficiary is the Legal Personal Representative or a Dependant of the deceased Pensioner at the time of death of the Pensioner, the Trustee must, unless otherwise requested to the contrary by the Nominated Beneficiary or the Reversionary Beneficiary, pay to the Nominated Beneficiary or the Reversionary Beneficiary (as the case may be) the balance of the Pension Account (either as an Available Pension or commuted to a lump sum) provided that the amount does not exceed an amount calculated in accordance with the Law; or
  - (ii) if no Nominated Beneficiary or Reversionary Beneficiary has been nominated by the Pensioner, the balance of the Pension Account must be paid to any one or more of the Dependents of the Pensioner and/or to the Legal Personal Representative of the Pensioner as the Trustee may determine, subject to the Law; and
- (b) if no Nominated Beneficiary or Reversionary Beneficiary has been nominated by the Pensioner, the Trustee may determine in its discretion, to appoint a Reversionary Beneficiary and continue paying the Pension to that Reversionary Beneficiary using the segregated pension assets of the Agreed Pension pursuant to the Trust Deed.

## **11 Commutation of Pension to a Lump Sum**

- (a) On the written application of a Pensioner, the Nominated Beneficiary or the Reversionary Pensioner of a deceased Pensioner, the Trustee must commute the whole or any part of the Agreed Pension payable from the

Fund to the Pensioner, Nominated Beneficiary or the Reversionary Pensioner, as the case may be, provided that the commutation would not cause the Trustee or the Fund to breach the Law.

- (b) The Trustee may apply the amount of the commuted Agreed Pension by either:
  - (i) retaining the amount in the Fund as a credit to an Accumulation Account for the Pensioner, the Nominated Beneficiary or the Reversionary Pensioner; or
  - (ii) paying the amount as a Benefit in the form of a lump sum or other form of Available Pension in accordance with this Deed.
- (c) If part of an Agreed Pension is commuted, the Trustee may reduce the total amount of the instalments in respect of the balance of the Agreed Pension payable to the Pensioner, the Nominated Beneficiary or the Reversionary Pensioner by an amount that the Trustee considers appropriate subject to the Law.

## **12 Minimum Standards**

Any minimum standards that are applicable to an Agreed Pension under the Law shall apply to the Agreed Pension.

## **13 Other provisions of the Law**

All relevant provisions prescribed by the Law with which the Fund or the Trustee must comply in respect of an Agreed Pension shall apply to the Agreed Pension.

The Trustee may incorporate anything into this policy which it is permitted to do or not restricted from doing under the Law.