

# Prime Super Pty Limited

## HIP and Prime Divisions Policy

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Authorised By	Board Processes

### 1 Glossary

Director	A director of Prime Super Pty Ltd
Employer	An employer-sponsor (as defined under SIS) of the Fund
Ex-HIP Employer	An employer-sponsor (as defined under SIS) who contributed to HIP Super on behalf of an Ex-HIP Member as at 30 April 2014.
Ex-HIP Member	A person who was a member of HIP Super as at 30 April 2014.
Fund	Prime Super
Health or Related Industry	An industry listed under Annexure A or, alternatively, an industry that the Trustee determines to be a health or related industry.
HIP Division	The HIP Division of the Fund constituted as at the Merger Date pursuant to the Trust Deed.
HIP Division Employer	An Employer that either: (a) is an ex-HIP Employer; or (b) the Trustee determines to be an employer within a Health or Related Industry; or (c) the Trustee otherwise determines to be a HIP Division Employer.
HIP Division Insurance Arrangements	Insurance arrangements that apply to Members in the HIP Division, being either: (a) the insurance arrangements that were in place with respect to Ex-HIP Members as at 30 April 2014; or (b) other insurance arrangements applicable to HIP Division Mem
HIP Division Members	Members who are in the HIP Division on or after the Merger Date.
HIP Super or "HIP"	The superannuation fund known as 'Health Industry Plan' (HIP) ABN 50 030 598 247' as it was in existence prior to the Merger Date.

Member	A member of the Fund that is not a Pension Member
Merger	The merger facilitated by the successor fund transfer of HIP Super into the Fund on the Merger Date.
Merger Date	1 May 2014
Pension Member	A member in the Income Stream Division of the Fund as governed by the rules in the Fund's Pension Policy.
Pre-Merger Prime Employer	An employer-sponsor (as defined under SIS) who contributed to the Fund on behalf of a Member as at 30 April 2014.
Prime Division	The Prime Division of the Fund constituted as at the Merger Date pursuant to the Trust Deed.
Prime Division Employer	An Employer whose employee is in the Prime Division on or after the Merger Date.
Prime Division Insurance Arrangements	Insurance arrangements that apply to Members in the Prime Division, being either: (a) the insurance arrangements that were in place with respect to Members of Prime Super as at 30 April 2014; or (b) other insurance arrangements applicable to Prime Division Members as determined by the Trustee.
Prime Division Members	Members in the Prime Division on or after the Merger Date.
Prime Super Investment Option	An investment option offered by Prime Super.
SIS	<i>Superannuation Industry (Supervision) Act 1993</i> (Cth) and Regulations
Trust Deed	The Trust Deed of Prime Super originally dated 16 November 1993 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 the HIP Division and Prime Division. 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 a service provider is considered a breach of the service provider agreement.

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

#### **4 Successor Fund Transfer**

On 1 May 2014 (**Merger Date**), there will be a merger between the Fund and HIP Super which will be facilitated by a successor fund transfer of HIP Super into the Fund. On this date, HIP Super will be wound up and all of its members will be automatically transferred to the Fund, and become members of the Fund.

##### **(a) HIP Super's members**

Prior to the Merger Date, HIP Super's members had insurance arrangements in place with HIP Super's insurer, MLC, and those insurance arrangements will continue to remain in place for Ex-HIP Members after the Merger.

As part of the Merger, Ex-HIP Members will have their account balances transferred to the Fund and they will be automatically allocated to the Prime Super Investment Option that is most closely aligned with their investment option in HIP Super. From the Merger Date, Ex-HIP Members will be able to choose to be invested in any of Prime Super's investment options.

##### **(b) Prime Super's members**

For existing Members of Prime Super prior to the Merger Date, there will be no change to their benefits in the Fund after the Merger.

#### **5 Divisions established under the Trust Deed**

The Trust Deed allows the Trustee to establish and operate separate Divisions in respect of Members, subject to the Law.

The Trust Deed empowers the Trustee to establish separate classes of membership (**Division**) and determine rules applicable to each Division, and may specify any additional or ancillary terms, conditions or governing rules applicable to any Division.

By virtue of the Trust Deed, this Policy sets out the rules applicable to Members in:

- (a) the HIP Division; and
- (b) the Prime Division.

#### **6 Benefit Rules for the HIP Division and the Prime Division**

**(a) HIP Division Benefits**

The following rules apply to HIP Division Members:

- (i) HIP Division Members can choose to be invested in any Prime Super Investment Option.
- (ii) HIP Division Members are only entitled to HIP Division Insurance Arrangements.
- (iii) HIP Division Members are only entitled to transfer into the Prime Division if the Member satisfies the conditions under Section 8(a) of this Policy, or if the Trustee otherwise determines that the transfer is allowed for that Member or for a group of Members.

**(b) Prime Division Benefits**

The following rules apply to Prime Division Members:

- (i) Prime Division Members can choose to be invested in any Prime Super Investment Option.
- (ii) Prime Division Members are only entitled to Prime Division Insurance Arrangements.
- (iii) Prime Division Members are only entitled to transfer into the HIP Division if the member satisfies the conditions under Section 8(b) of this Policy, or if the Trustee otherwise determines that the transfer is allowed for that Member or for a group of Members.

**7 Membership Rules for the HIP Division and the Prime Division**

The following rules apply to determine whether an existing member, or a new member, of the Fund will be placed in the HIP Division or the Prime Division of the Fund after the Merger Date.

**(a) Exclusivity**

On and from the Merger Date:

- (i) a Member apart from a Pension Member, must either be placed in the HIP Division or the Prime Division of the Fund; and
- (ii) a Member cannot be in both the HIP Division and the Prime Division of the Fund, unless the Member specifically requests to be in both Divisions and the request is approved by the Trustee at its discretion.

**(b) Members as at the Merger Date**

As at the Merger Date:

- (i) If a person is an existing Member of Prime Super and is not an Ex-HIP Member, that person will be placed in the Prime Division of the Fund.
- (ii) If a person is an Ex-HIP Member and was not an existing Member of Prime Super as at 30 April 2014, that person will be placed in the HIP Division of the Fund.
- (iii) If a person is both:
  - a. an existing Member of Prime Super as at 30 April 2014; and
  - b. an Ex-HIP Member,that person will be given the option to be placed in either:
  - c. the HIP Division exclusively; or
  - d. the Prime Division exclusively.
- (iv) A person described in paragraph (iii) that specifically requests to be in both the HIP Division and the Prime Division may be a Member of both Divisions if their request is approved by the Trustee at its discretion.
- (v) If a person described in paragraph (iii) does not make an election by the due date nominated by the Trustee to be placed exclusively in either the HIP Division or the Prime Division, then as at 30 April 2014:
  - a. if contributions are being made for the benefit of that person to HIP Super but not to Prime Super, that person will be placed in the HIP Division as at the Merger Date;
  - b. if contributions are being made for the benefit of that person to Prime Super but not HIP Super, that person will be placed in the Prime Division as at the Merger Date; and
  - c. if contributions are being made for the benefit of that person to both Prime Super and HIP Super, the Trustee shall make an assessment of the relevant industry in which that person's employer-sponsor is in and, on that basis, determine the most appropriate Division in which the person should be placed as at the Merger Date.

**(c) Members joining the Fund post-Merger**

If a person joins the Fund after the Merger Date and the person's Employer:

- (i) is exclusively an Ex-HIP Employer and was not a Pre-Merger Prime Employer:
  - a. the person will be placed in the HIP Division of the Fund; and
  - b. the employer will become a HIP Division Employer.
- (ii) is exclusively a Pre-Merger Prime Employer and is not an Ex-HIP Employer:
  - a. that person will be placed in the Prime Division of the Fund; and
  - b. the employer will become a Prime Division Employer.
- (iii) was both a Pre-Merger Prime Employer and an Ex-HIP Employer, the Trustee shall make an assessment of the relevant industry in which the Employer is in and, on that basis, determine the most appropriate Division in which the Employer's default employees that join the Fund after the Merger Date should be placed.
- (iv) is a new Employer to the Fund and was neither an Ex-HIP Employer or a Pre-Merger Prime Employer, the Trustee shall make an assessment of the relevant industry in which that person's Employer is in and, on that basis, determine the most appropriate Division in which the person should be placed as follows:
  - a. If the Trustee is satisfied that the Employer:
    - i. is in a Health or Related Industry; and
    - ii. has completed the relevant registration form required by the Trustee; and
    - iii. has provided all the information required by the Trustee, that Employer will be a HIP Division Employer.
  - b. If either:
    - i. the Trustee is not satisfied that the Employer is in a Health or Related Industry; or
    - ii. the Employer has not completed the relevant registration form required by the Trustee; or
    - iii. the Employer has not provided all the information required by the Trustee, that Employer will be a Prime Division Employer.
- (v) does not provide sufficient information upon registration with respect to their relevant industry:
  - a. then:
    - i. the Employer will automatically default into the Fund as a Prime Division Employer; and
    - ii. all new employees of the Employer will automatically be placed in the Prime Division; and

- b. if, in the future, the Employer provides sufficient information to satisfy the Trustee that the Employer is in a Health or Related Industry and the Trustee determines on a particular date (**relevant date**) that it is appropriate to allocate that Employer to the HIP Division:
  - i. the Employer will automatically default to becoming a HIP Division Employer; and
  - ii. from the relevant date, new employees of the Employer will automatically be placed in the HIP Division.

## **8 Members can elect to change Divisions**

The following rules apply to Member switches between the Prime Division and the HIP Division.

### **(a) Switching from the HIP Division to the Prime Division**

A Member can elect to change from the HIP Division to the Prime Division under the following circumstances:

- (i) if the switch will not lead to a material increase in cover as determined by the Fund's insurer, the Member will be switched automatically (subject to any test applied by the Fund's insurer); or
- (ii) if the switch will lead to an increase in cover to a maximum of the new default cover, the member must successfully pass the test determined by the Trustee's insurer (currently contained within the Transfer Cover Form) which allows members to increase their cover upon joining the Fund. If the member does not successfully pass this test, full underwriting will be required for the increase in cover.

### **(b) Switching from the Prime Division to the HIP Division**

A Member can elect to change from the Prime Division to the HIP Division under the following circumstances:

- (i) as at the date of the election, the Trustee is satisfied, or otherwise determines, that the Member works in a Health or Related Industry; and
- (ii) if the switch will not lead to a material increase in cover as determined by the Insurer, the Member will be switched automatically (subject to any test applied by the Fund's insurer); or
- (iii) if the switch will lead to an increase in cover to a maximum of the new default cover, the member must successfully pass the test determined by the

Trustee's insurer (currently in the form of a questionnaire on the Member Application Form) which allows members to increase their cover upon joining the Fund. If the member does not successfully pass this test, full underwriting will be required for the increase in cover.

## **9 Other provisions of the Law**

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



## ANNEXURE A

### Health or Related Industry

Administration (health)	Occupational therapy
Aged care	Oncology
Allied health services	Optical
Alternative medicine	Osteopathic
Ambulance	Paediatrics
Childcare	Paramedics
Chiropractic	Pathology
Clinical research	Patient services
Community health	Pharmaceuticals
Counselling	Pharmacy
Dental	Physiotherapy
Dieticians	Podiatry
Disabled care	Psychology
Education and training	Registrars
Environmental services	Rehabilitation
General practitioners	Residential care services
Management (health)	Residents
Medical administration	Retail
Medical assistant	Sales (health related)
Medical devices	Social services
Medical imaging	Social work
Medical research	Speech therapy
Medical services	Support staff (health related)
Medical specialists	Surgical
Mental health	
Midwifery	
Natural therapies	
Nursing	