

# Defined Benefit Scheme

## Deferred (pension only) account



These Explanatory Notes provide a summary of your deferred (pension only) account and should be read in conjunction with your benefit estimate or statement.

The following sections outline when a benefit may be payable to you, and your payment options. In the event of any inconsistency between this summary and the trust deed, the trust deed will prevail.

### What is a deferred benefit?

A deferred benefit represents the component(s) of your former defined benefit account that has become deferred since the date you changed employers or ceased contributing to the Defined Benefit Scheme, and remain deferred until you become eligible to receive them.

A defined benefit is where your super benefit is determined by a formula (set out in the fund's trust deed), which is usually based on your salary. Your employer contributes to the amount needed to enable the fund to pay the benefit to you, based on agreed contribution rates and other variables such as inflation.

You may also have an accumulation account with us or another superannuation fund, which is designed to receive contributions paid by your employer, which are based on your ordinary time earnings.

For more information about the features and conditions of your accumulation account please refer to the *Member Booklet* for personal members available from [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) or call us on 1300 650 873.

### Payment of your deferred benefit

Your benefit is preserved which means it must remain in the fund until a condition of release is met, as prescribed under superannuation legislation.

For Australian citizens and permanent residents, situations in which your benefit may be released include if you:

- reach your preservation age (refer to the table below) and permanently retire
- apply for the release of your entitlements due to severe financial hardship or on compassionate grounds
- die, become permanently incapacitated or terminally ill.

Payment conditions under the trust deed must also be satisfied.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

For more information about the preservation rules and conditions of release, including a full list of release conditions, read the *Access to your super* factsheet at [firststatesuper.com.au/factsheets](http://firststatesuper.com.au/factsheets) or call us on 1300 650 873.

### Explaining your pension value

Your pension is updated twice yearly in accordance with movements in the Consumer Price Index (CPI).

#### If you are under age 55

Your benefit estimate or statement shows your fortnightly pension value when you turn 55.

#### If you are age 55 or over

Your benefit estimate or statement shows your fortnightly pension value if you were to start receiving payments as at the date of your benefit estimate or statement.

Until you turn 65, your pension is discounted from its full value using the appropriate age factors as set out in the fund's trust deed. If you elect to take your pension before age 65, the discounted amount is the amount you will be paid for life, plus twice yearly changes according to movements in the CPI.

### How the Consumer Price Index works

Movements in the CPI are provided by the Australian Bureau of Statistics and are pro-rated over the number of days your pension or lump sum is in your account, from the time that your defined benefit is transferred into the deferred account. Applying the CPI helps your pension retain the same purchasing value in line with inflation over time.

### If you die

The pension entitlement is payable to your spouse and/or other eligible dependants as permitted by the trust deed. The fortnightly pension is equal to two thirds of the pension payable at the time of death.

A children's allowance may also be payable if there are eligible children. Eligible children are either under the age of 18, or between 18 and 25 and are full-time students and financially dependent.

If you have a spouse and eligible children, both payments are payable. If you have no spouse or other eligible dependant, your pension will not be payable to anyone, and a refund of contributions made towards the pension scheme will be paid as a lump sum to the legal personal representative of your estate.

### If you become permanently disabled

The pension becomes payable at the age 65 value. If there are eligible dependent children, a child allowance for each child is also payable (subject to certain conditions).

### Your estimated benefit entitlements

Your benefit estimate or statement provides an estimate of significant benefit entitlements. These estimates are indicative only and are not a guarantee of any particular benefit or amount. Any benefits paid are subject to preservation rules and are in addition to the superannuation guarantee contributions your employer pays into your accumulation account (if applicable).

### Transferring your balance out of the Defined Benefit Scheme

The Trustee may, with your consent, transfer an amount representing the value of all or part of any benefit you have in the scheme, as determined by the Trustee in conjunction with the fund's actuary, subject to express provisions in the trust deed applicable to the scheme.

You can move this amount into an accumulation account within the fund or transfer it to another complying fund of your choice. You should seek professional financial advice before you make a decision about transferring your benefit. For information about our accumulation account, see the Product Disclosure Statement (PDS) available at [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) or call us on 1300 650 873.

### Fees and costs

There are no fees or costs payable by you directly or indirectly in relation to the Deferred (Pension only) account (other than fees associated with a Family Law matter).

Your employer meets all fees and costs associated with the Deferred (Pension only) account, including those associated with the purchase/sale and ongoing management of investments of the fund which support the payment of benefits. This includes fees paid to investment managers, as well as amounts paid to a variety of third parties such as our custodian, brokers and government authorities.

### Here to help!

Super can be quite complicated and sometimes you just want to know that you're making the right decisions. Because the right decisions about your super can make a real difference to your financial future.

So if you've got any questions, or you just want the comfort of knowing you're on the right track, getting some advice can help.

StatePlus is our financial planning business and is wholly owned by us. The team at StatePlus can answer simple questions about your super over the phone, or if your situation is more complex, prepare a full financial plan for you. It's all up to you, no obligation. Book online at [firststatesuper.com.au/advice](http://firststatesuper.com.au/advice) or call **1800 620 305** (Monday to Friday 8.15 am to 8.15 pm AEST/AEDT) to arrange an appointment.

Financial planning services are provided by our financial planning business, State Super Financial Services Australia Limited, trading as StatePlus ABN 86 003 742 756 AFSL No. 238430. StatePlus is wholly owned by First State Super.



### Contact us

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