Member Information Booklet

Westpac Group Plan – Defined Benefit

1 September 2012

Things you should know
This booklet contains important information you should consider before making a decision in relation to the Defined Benefits within the Westpac Group Plan (known as the Westpac Group Plan – Defined Benefit).

The Westpac Group Plan - Defined Benefit forms part of the Retirement Wrap super fund ABN 39 827 542 991 and is issued by BT Funds Management Limited (BTFM) ABN 63 002 916 458, AFSL 233724 which is a member of the Westpac Group.

Contact us
If you have any questions about the Westpac Group Plan - Defined Benefit, you can call the Helpline on 1800 227 262.

Up-to-date information
The information contained in this booklet is up-to-date at its preparation. However, the information can change from time to time. For further information about your benefits in the Westpac Group Plan - Defined Benefit you can visit westpacstaffsuper.com.au.

Things you should know

This Member Information Booklet is for those who were defined benefit members of the former Westpac Staff Super Plan*.

This booklet provides a summary of some of the main features, benefits and fees for Defined Benefit members of the Westpac Group Plan - Defined Benefit who were defined benefit members of the former Westpac Staff Super Plan. It contains important information you should consider before making a decision in relation to the Defined Benefits within the Westpac Group Plan (known as the Westpac Group Plan - Defined Benefit). The *Member investment choice guide for SuperSave accounts* contains details of the investment options available to Defined Benefit members for their SuperSave accounts.

Both booklets should be read carefully and kept together for future reference.

The information contained in this booklet is general information only and does not take into account your individual financial objectives, financial situation or needs. You may wish to consult a financial adviser to obtain financial advice tailored to suit your personal circumstances.

The Westpac Group Plan is a corporate super plan sponsored by Westpac Banking Corporation (ABN 33 007 457 141) ('Westpac' or 'Bank') to provide super benefits for its employees and former employees of the Westpac Group. It is part of Retirement Wrap (Fund) ABN 39 827 542 991, which is a regulated and complying super fund for the purposes of superannuation law.

The Westpac Group Plan has two sections – the Accumulation Plan and Defined Benefit Plan - and is issued by BT Funds Management Limited (BTFM) ABN 63 002 916 458, AFSL 233724 ('Trustee', 'we', 'our', or 'us') which is a member of the Westpac Group. BTFM's registered address is Level 20, Westpac Place, 275 Kent Street, Sydney NSW 2000. This document only provides information on the Defined Benefit Plan for those who were defined benefit members of the former Westpac Staff Super Plan. For information on the Accumulation Plan see the PDS for the *BT Super for Life - Westpac Group Plan (for former members of the Westpac Staff Super - Accumulation Plan)*.

Any reference to 'financial adviser' means a licensed, or appropriately authorised, financial adviser.

BTFM is a member of the Westpac Group. Please note that any investment in the Westpac Group Plan - Defined Benefit or any investment options offered in the *Member investment choice guide for SuperSave accounts* is not a deposit with, or any other liability of Westpac or any other company in the Westpac Group of companies. Investments are subject to investment risk, including possible delays in repayment or loss of income and principal invested.

* This Member Information Booklet is not for those members of the former Westpac Staff Super Plan who are in the following categories: Preserved Members, the Officers Provident Fund, or Pension members.

YOUR MEMBERSHIP

Who can join?

The Westpac Group Plan - Defined Benefit is closed to new members. All new Westpac employees join the Accumulation Plan.

Here's what you need to do...

To understand the choices available to you as a member, follow steps 1 to 5 below.

Step 1 – Learn how your super works

The *How Your Super Works* section describes the workings of your Defined Benefit Plan.

Step 2 – Want to put extra money into super?

You can make nominated and/or SuperSave contributions at any time. Also, if you have accounts with other super funds you can transfer (or 'roll over') these amounts into your super. See the *Contributions* section for more details.

Step 3 – Understand how your benefits are calculated

Your super benefit can be calculated as a defined benefit or an accumulation-style benefit. It is important you understand how your super is calculated. See *The defined benefit formula* and *Your withdrawal and retirement benefits* sections for more information.

Step 4 – Make an investment choice for SuperSave

If you have a SuperSave account you can choose from a range of investment options to invest this money. Read the *Member investment choice guide for SuperSave accounts* to find out about the Westpac Group Plan - Defined Benefit eight investment options.

Step 5 – Who will receive your super if you die?

You can nominate your beneficiaries online at any time however the Trustee is not bound by your nomination. If you don't make a nomination or your nomination is invalid at the time of your death, the Trustee may pay the death benefit to your Legal Personal Representative or your dependents in such proportions and on such terms as the Trustee sees fit. See the *Nominating your beneficiaries* section for more information.

As a member, you have the opportunity to change your details including:

→ the level of your member nominated contributions or SuperSave contributions, and

→ your preferred beneficiaries in the event of your death.

We'll keep you informed

As a member, you will receive:

→ confirmation of any balances transferred into the Westpac Group Plan – Defined Benefit

→ an annual statement showing the value of your super at 30 June each year

→ notification of all material changes or the occurrence of significant events

→ a statement about your super benefit when you leave Westpac and information about what to do next, and

→ access to the Westpac Group Plan - Defined Benefit website for up-to-date information on your super balance and benefits.

You can access up-to-date information on your super by visiting westpacstaffsuper.com.au. On the website you can also:

→ download various forms and publications

→ nominate your beneficiaries,

→ get the latest transaction details on your account; and

→ get the *Annual report* showing you what's happened in the Westpac Group Plan - Defined Benefit over the previous year

For privacy reasons, your PIN (Personal Identification Number) will be required to access the secure section of the website before you can view your personal details. If you have misplaced your PIN, you can request a new one from the home page of the website. A new PIN will be sent to your home address generally within two business days.

The benefits of being a member of the Westpac Group Plan – Defined Benefit

Helping you save for retirement

Whatever your plans are for retirement, the Westpac Group Plan - Defined Benefit is designed to help you save towards your financial goals.

Accessing your super

You will be entitled to a super benefit from the Westpac Group Plan - Defined Benefit:

- → when you retire or leave Westpac
- → if you become totally and permanently disabled
- → if you become totally and temporarily disabled.

However, you will need to satisfy the preservation rules in superannuation law to receive your super benefits in cash. See page 15 for more details on preservation.

Tax concessions

The Government actively encourages Australians to save for their retirement, and one of the ways it does this is by granting tax concessions for money invested by regulated super funds such as the Westpac Group Plan - Defined Benefit. To obtain the maximum taxation savings, we recommend you speak to a licensed financial adviser.

More information on taxation can be found in the *Tax and super* section.

Member services

The Westpac Group Plan - Defined Benefit offers members a range of services including online access to your super details at westpacstaffsuper.com.au

Risks associated with being a member of the Westpac Group Plan - Defined Benefit

Investment risks

As with any investment there is always a degree of risk to being a member of the Westpac Group Plan - Defined Benefit. As your accumulation-style benefits (see page 11) and SuperSave account comprise contributions that are adjusted for investment performance, you need to be aware that there is the possibility that the value of your super may rise or fall as performance may be positive or negative depending on investment returns. There is the risk that, if you leave the Westpac Group Plan - Defined Benefit, you may get less than the amount of contributions paid in by you and Westpac because of taxes, expenses and low or negative investment performance.

However, investment risk does not affect your defined benefits. Westpac carries this risk.

Other risks

As a member of the Westpac Group Plan - Defined Benefit you will incur certain fees. There is a risk that these fees and premiums, which may increase from time to time, may affect your super account balance of any accumulation-style benefit entitlements. You will be provided with at least 30 days prior written notice of any such increases.

There is also always the possibility that Westpac may wish to amend the Participation Schedule (with the approval of the Trustee), cease or vary its contributions to the Westpac Group Plan - Defined Benefit, or even close and wind up the Westpac Group Plan at some point in the future. This may mean your benefits could change. We will keep you informed if any of these things were to happen.

A change in the laws that govern super may also impact on your ability to access your money in the future or affect the tax effectiveness of your super savings. We will endeavour to keep you informed about any material changes of law which may affect your super. You should discuss any changes with your financial adviser.

HOW YOUR SUPER WORKS

When is a super benefit payable?

The Westpac Group Plan - Defined Benefit provides a super benefit:

- when you retire or leave Westpac
- if you become totally and permanently disabled while you are a Westpac employee and member of the Westpac Group Plan - Defined Benefit, or
- to your beneficiaries in the event of your death while you are employed by Westpac and are a member of the Westpac Group Plan – Defined Benefit.

The Westpac Group Plan - Defined Benefit also provides, if you are eligible:

- an income benefit if you become totally and temporarily disabled while employed with Westpac
- the ability to choose the Transfer Option and join the Accumulation Plan (see page 14).

The benefit design of your super

Your benefit is generally calculated as:

Your super benefit	=	accumulation-style benefit or defined benefit	+	Other accounts			
				SuperSave account	Surcharge account (negative balance)	Early release account (negative balance)	Excess contributions account

It is important you understand how your super is calculated. See below for further information about each of these components.

For more details on how super is calculated see *Your withdrawal and retirement benefits.*

Accumulation-style benefit

The accumulation-style benefit is not calculated according to a formula but is based on:

- nominated contributions you have made
- investment performance (positive or negative) which is based on the investment performance of the Defined Benefit assets
- a component funded by Westpac.

Defined benefit

The defined benefit is calculated, or defined, according to a formula set out in the Participation Schedule.

The formula used for calculating the defined benefit is based on:

- your nominated contribution rate (see *Contributions*)
- how long you have been a member of the Westpac Group Plan - Defined Benefit, and the Westpac Staff Super Plan, and
- your Final Average Salary.

See *The defined benefit formula* section for more information on how the defined benefit formula works.

Your other accounts

SuperSave account

If you'd like to make contributions in addition to, or instead of, your nominated contributions, you can make these to your SuperSave account.

SuperSave contributions are credited to your SuperSave account. Each contribution made is invested in line with your investment choice. You can choose one or a mix of eight investment options in which to invest your SuperSave account.

See the *Member investment choice guide for SuperSave accounts* for details of the investment options available to Defined Benefit members for their SuperSave accounts.

Your SuperSave account is paid in addition to your defined benefit or accumulation-style benefit described above.

Surcharge account

Surcharge tax was abolished on 1 July 2005. However, the Trustee may still receive a surcharge assessment for you after this date (relating to a period before 1 July 2005). The Westpac Group Plan - Defined Benefit will pay this tax on your behalf and the amount paid will be debited to your surcharge account. When you leave the Westpac Group Plan - Defined Benefit, your surcharge account balance (adjusted for investment performance) will be deducted from your super benefit.

If we receive a surcharge assessment after your benefit has been paid, the liability will transfer to you or to any fund to which you have transferred any part of your benefit.

Early release account

If part or all of your super benefit is paid to you before you leave Westpac due to severe financial hardship or on compassionate grounds, the amount paid will be deducted from your SuperSave account. If there are insufficient funds in your SuperSave account, the remaining balance will be credited to an early release account in your name. When you leave the Westpac Group Plan – Defined Benefit, your early release account (adjusted for investment performance) will be deducted from your super benefit.

Excess contributions account

Your benefit multiple is based on a maximum 5% nominated contribution rate each year averaged over the period of your membership. Nominated contributions above the 5% average (members can contribute between 0% and 8% each year) are credited to the excess contributions account, and paid in addition to any other benefit entitlements.

CONTRIBUTIONS

You can make contributions to your super at any time.

What you can contribute

You can make two types of member contributions:

- nominated contributions and/or
- SuperSave contributions.

Nominated contributions

Nominated contributions affect the way your defined benefit is calculated. These contributions are made as regular deductions from your pay to super and can be any whole percentage of your superannuation salary, up to 8%.

Effectively, the higher your nominated contribution rate, the quicker your defined benefit grows (see *The defined benefit formula* section). You can change your nominated contribution rate at any time, and choose to have it taken out of your after-tax pay or before-tax pay (also called salary sacrificing). Note that any change to your nominated contribution rate may impact on the contributions that count towards your concessional contribution limit (refer to the *Contribution limits* section for more details).

You can't make nominated contributions if you go on leave without pay (other than parental leave) for more than two months, or if you are receiving a Total and Temporary Disablement (TTD) benefit. If you are receiving a TTD benefit, your retirement and withdrawal benefits will continue to accrue as if you were making 5% nominated contributions (up to the maximum accrual).

SuperSave contributions

You can make SuperSave contributions to your super on top of, or even instead of, nominated contributions. For example, if you'd like to put in more than the maximum 8% nominated contributions to super, you can do this by making SuperSave contributions.

SuperSave contributions can be made as:

- regular amounts deducted directly from your Westpac pay

or

- after-tax lump sum contributions from your personal savings.

These contributions are credited to your SuperSave account. Your SuperSave account is unitised and is invested in the investment option you choose. You can choose one or a mix of up to eight investment options. Your SuperSave account is paid in addition to any other benefits you become entitled to.

Which contributions should you make?

Every person's circumstances are different so only you can decide what's right for you. Before making SuperSave contributions, you may want to check your 'average nominated contribution rate' over your whole membership period. You need an average of 5% per year of membership to achieve the highest possible defined benefit. Your annual statement shows what your average is.

When you leave, any excess nominated contributions above an average of 5% over your membership, adjusted for investment earnings (positive or negative) on these contributions, will be paid to you. You should speak to a licensed financial adviser if you need help with deciding what type of contributions to make.

What is your superannuation salary?

For full-time packaged employees, this is your annual salary advised by Westpac (excluding bonuses). If you're an unpackaged employee, this is your normal annual salary excluding bonuses and temporary salary allowances advised by Westpac.

For part-time employees, your superannuation salary is your hourly rate advised by Westpac converted to a full-time equivalent annual salary.

Age limit

You can put money into your super at any time up until age 65. From age 65 to 74 you can only put money into your super if you have worked at least 40 hours during a period of 30 consecutive days in a financial year. Your 'nominated contributions' must cease on the date you reach the maximum contribution age under SG legislation. After age 75, you generally can't make contributions to super.

How to make contributions

Regular contributions each pay day

To make regular contributions from your pay to super, simply log onto PeopleXpress at work and change your contribution rate under the 'Organise your pay' section. You can specify contributions be made from before-tax pay or after-tax pay, and as nominated or SuperSave contributions.

One-off (lump sum) contributions to your SuperSave account

You can either:

- transfer an amount from your bank account to your SuperSave account via BPAY. Call our Helpline on 1800 227 262 for instructions on how to do this, or
- send a cheque payable to Westpac Group Plan - Defined Benefit to Locked Bag A4055, Sydney South NSW 1235. Include a letter with your name, member number and contact details. The contribution has to be made by you, so we can only accept cheques from you as a payer.

All contributions you make to the Westpac Group Plan - Defined Benefit are preserved (see *Information you should know*).

What Westpac contributes

Westpac makes contributions to the fund at a specific rate it determines, on advice from the Westpac Group Plan - Defined Benefit actuary. This is the amount Westpac is to contribute so that members' super benefits are funded.

Superannuation Guarantee

Under superannuation law, all employers must provide a minimum level of super for employees, known as the Superannuation Guarantee or SG. A portion of Westpac's contributions are credited to your SG account.

Your SG account may or may not be used when calculating the value of your super when you leave Westpac (see the section on *Your Withdrawal and Retirement Benefits* from page 11).

Westpac's contributions to your SuperSave account

Westpac may also pay contributions on a portion of certain other pay items. These contributions are credited to your SuperSave account. If you'd like to know more about which items Westpac pays super on, visit the Westpac intranet.

Other things to note

We do not credit SG contributions to your SG account while you are on any type of unpaid leave. All Westpac contributions must be preserved (see page 15).

Contribution limits

There is a limit to the amount you and Westpac can put into your super before a higher tax rate applies. So it's important you monitor what goes into your super, otherwise you might have to pay additional tax.

Salary sacrifice and employer contribution limit (concessional contribution limit)

Employer contributions and any before-tax (or salary sacrifice) contributions you make to super are called 'concessional contributions'.

Concessional contributions to your super, in one or more super funds, are currently capped to $25,000 a year.

This cap will be indexed from time to time. Up to date information on current concessional caps is available on www.ato.gov.au.

Concessional contributions in respect of your defined benefits that count towards the concessional contributions cap are calculated as a notional amount (called a "notional taxable contribution" or NTC) for you pursuant to a formula set up by the government in tax regulations. The Westpac Group Plan – Defined Benefit actuary assists with this calculation. This NTC amount is based on your nominated contribution rate and super salary at 1 July each year. All members were sent a letter in May 2007 detailing how this is calculated. A copy of this is available to members by calling the Helpline on 1800 227 262.

The government recognised that applying its set formula means that some people will go over the concessional contributions cap, or they might exceed it in future. So there are transition rules allowing you to have NTCs in respect of your defined benefits greater than the cap – it's called 'grandfathering'. Grandfathering, though, does not apply in respect of any contributions to your SuperSave account.

Grandfathering applies to you if:

→ for 2009/2010 and later financial years grandfathering was reset on 12 May 2009. So to be eligible for grandfathering protection for these financial years you must not have increased your nominated contribution rate* since 12 May 2009.

For prior years, the grandfathering applies to you if:

→ you have not increased or decreased your nominated contribution rate* to the former Westpac Staff Super Plan between 5 September 2006 and 30 June 2007 (government determined dates)

and

→ you have not increased your nominated contribution rate* since 1 July 2007.

Grandfathering means that even if your NTCs exceed the cap under the formula, you are automatically deemed to be within the cap for taxation purposes. So the higher tax rate will not apply to your notional taxable contributions.

But if you or Westpac make any other before-tax (or salary sacrifice) contributions to your SuperSave account, and grandfathering applies in respect of your NTCs for your defined benefit, then these SuperSave contributions will be treated as contributions that exceed the cap and will be effectively taxed at the highest marginal tax rate.

If you don't meet the requirement for grandfathering, and if your NTCs exceed the contributions cap, this means that those NTCs above the cap will be taxed at a highest marginal tax rate.

For another copy of your letter, or for more information on calculating your notional taxable contribution amount, call the Helpline on 1800 227 262.

If the transition rules don't apply to you and your notional taxable contributions exceed the cap, the amount above your cap will be taxed at 46.5%, instead of the usual 15% contribution tax. The tax bill for the additional 31.5% tax will be sent from the Australian Taxation Office (ATO) directly to you. In some cases, you can choose to have your super fund pay the tax amount owing from your super account.

Contributions above your concessional contribution cap will also count towards the cap for your after-tax contributions (see below).

* Remember, your nominated contribution rate affects your defined benefit and can be 0% to 8% of your superannuation salary. It is different to anything extra you put into your SuperSave account.

After-tax contribution limit (non-concessional contribution limit)

Amounts you put into super from your after-tax salary or savings are called 'non-concessional contributions'. In the 2012/2013 year, you can make non-concessional (after-tax) contributions up to a limit of $150,000 each year. This limit is calculated as six times the concessional contributions cap.

If you are aged 64 or less, you can average your after-tax contributions over three years. For example, you can exceed the $150,000 per year cap in 2012/2013 as long as you don't exceed $450,000 in the following three year period.

Generally, if the plan receives a single after-tax contribution that is greater than $450,000 for a person under 65 (or $150,000 for a person aged over 65), the portion of the after-tax contribution above this amount will be returned to you. If this happens, you may be charged fees and costs. We'll let you know if this happens.

If your total non-concessional contributions for the year are above this limit and the excess has not been returned to you, the excess amount will be taxed at 46.5% (usually no tax is paid on after-tax contributions). The tax bill will be sent from the ATO directly to you. In some cases, you must then instruct your super fund to release money from your super account to pay the tax amount owing.

Keep an eye on your limits

It's your responsibility (not your employer's or super fund's) to monitor both your before-tax and after-tax contributions so they don't exceed the contribution limits.

Tax on contributions

A provision at a rate of 15% for contributions tax is deducted from contributions made by Westpac into your super and from any before-tax (salary sacrifice) contributions you make.

Rollovers

You can transfer, or roll over, money from other super funds into your SuperSave account at any time.

If some of the money you rollover from another super fund was a non-preserved benefit (that is, you can take it in cash), once the amount is deposited in your SuperSave account it cannot be withdrawn in cash until after you leave Westpac. If the rollover amount includes any untaxed amount, that amount will be taxed when it is deposited into your SuperSave account.

To organise a rollover into your SuperSave account, complete a *Benefit roll-in form* (available from westpacstaffsuper.com.au) or arrange it through the super fund that currently holds your super.

Government Contributions

If you are eligible, the Government may make contributions into your account. These types of contributions include the Government co-contribution and the Low income superannuation contribution. For further details on the Government co-contribution and Low income superannuation contribution, refer to www.ato.gov.au

The Government co-contribution

If you are eligible, the Government pays your co-contribution after:

- → you have lodged your income tax return
- → your super fund has lodged a Member Contribution Statement (MCS) for you (this is usually done after 1 July and before 31 October), and
- → the ATO has received any additional information that they require to deem you eligible to receive a co-contribution.

Once this has been done your co-contribution is generally paid into your super account within 60 days. The ATO will send you a letter confirming the details of your contribution. Full information regarding eligibility for the Government co-contribution can be found at www.ato.gov.au.

Claiming the co-contribution – it's very simple

The Trustee tells the ATO about every contribution made to your super in Westpac Group Plan - Defined Benefit over the year, including those contributions you made yourself.

When you complete your tax return at the end of the financial year, the ATO works out whether you are entitled to a co-contribution and, if so, will pay it into Westpac Group Plan - Defined Benefit.

Contribution splitting

Contribution splitting applies to contributions made to your SuperSave account only. You can split up to 85% of your annual before-tax SuperSave contributions (or your concessional contribution limit, if this is lower). These can be transferred to your spouse's super account in any complying super fund, giving you the opportunity to share your super savings with your spouse.

Your spouse includes:

- → your husband or wife via marriage; or
- → a person with whom you are in a relationship that is registered under certain state or territory laws; or

another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple. You can make a request to split SuperSave contributions once per financial year (in relation to SuperSave contributions made in the previous financial year)[1]. A split is irrevocable once it has taken place.

1_You can request a split during the same financial year if you are transferring your entire benefit out of the Westpac Group Plan - Defined Benefit during that year.

Requesting a contribution split

To lodge a request to split SuperSave contributions, complete the *Contribution splitting* form available from westpacstaffsuper.com.au

You can request a transfer of SuperSave contributions to your spouse's account in any complying super fund.

THE DEFINED BENEFIT FORMULA

Your defined benefit is calculated according to a formula:

Benefit multiple × Final Average Salary

It is important to understand the two parts of this formula.

Calculating your benefit multiple

Your benefit multiple is a number that results from your nominated contribution rate(s) during your membership and how long you have contributed at that rate. The higher your nominated contribution rate, the higher your benefit multiple and the higher your benefit in the Westpac Group Plan - Defined Benefit (subject to an overall limit of 5% p.a. average nominated contributions over your full membership).

You can make nominated contributions at any whole rate between 0% and 8% of your super salary. However, if your average contributions exceed 5%, the excess is credited to an 'excess contributions' account, which is added to your benefits.

Each contribution rate in this range has a corresponding benefit accrual rate, which is a key factor in how much your benefit grows while making those contributions. For example, if you contribute at 4% for one year, your benefit increases in that year by 16% x Final Average Salary. This represents an annual increase in your benefit multiple of 0.16. If you contribute at 5% for one year, your benefit increases in that year by 18% × Final Average Salary.

See the table below.

Annual nominated contribution rate	0%	1%	2%	3%	4%	5%	6%	7%	8%
Annual benefit accrual rate	8%	10%	12%	14%	16%	18%	20%	22%	24%
Annual increase in benefit multiple	0.08	0.10	0.12	0.14	0.16	0.18	0.20	0.22	0.24

Example – building up your benefit multiple

Let's say you are a member for 15 years, and you contribute 5% for the first 10 years, then 1% for the last 5 years. From the table above, the benefit accrual rate for 5% contributions is 18%, and the benefit accrual rate for 1% contributions is 10%.

Your benefit multiple after 15 years is:

For the 10 years of contributing at 5%,
you have a benefit multiple of 1.80

= 18% × 10 years = 0.18 × 10 = 1.80

For the 5 years of contributing at 1%,
you have a benefit multiple of 0.50

= 10% × 5 years = 0.10 × 5 = 0.50

After 15 years your benefit multiple = 2.30

Note: This example is provided for illustration purposes only. It should not be relied on for any other purpose.

Part-time employees – your benefit multiple and maximum benefit multiple (see page 10) are calculated on a pro rata basis, depending on the number of hours worked (excluding overtime hours).

Example – benefit multiple for part-time employees

Let's take the same example (see above) and assume you work part-time 19 hours a week on average (compared to full-time hours of 38 hours a week).

Your benefit multiple after 15 years is:

For the 10 years of contributing at 5%,
you have a benefit multiple of 0.90

= 18% × 10 years × 19/38

= 0.18 × 10 × 19/38 = 0.90

For the 5 years of contributing at 1%,
you have a benefit multiple of 0.25

= 10% × 5 years × 19/38

= 0.10 × 5 × 19/38 = 0.25

After 15 years your benefit multiple = 1.15

Note: This example is provided for illustration purposes only. It should not be relied on for any other purpose.

Maximum benefit multiple

The maximum benefit multiple you can build up is the lesser of:

- 7.20, which is the equivalent of contributing an average of 5% of your Super Salary over 40 years (i.e. an annual benefit multiple of 0.18 × 40 years), or
- an average of 0.18 for each year of membership on a pro rata daily basis.

Once you reach the maximum benefit multiple of 7.20, the Plan can no longer accept any nominated contributions. However, you can continue building your super by making contributions to your SuperSave account. (*see Contributions*).

Example – maximum benefit multiple over your membership

Let's say you are a member for 15 years. Your maximum benefit multiple over that period would be 2.70 (i.e. 0.18 × 15 years).

One way to reach the maximum is by contributing at 5% for 15 years. Or you could reach the maximum by contributing at 4% for 10 years, then 7% for 5 years:

For the 10 years of contributing at 4%,
you have a benefit multiple of 1.60

= 16% × 10 years = 0.16 × 10 = 1.60

For the 5 years of contributing at 7%,
you have a benefit multiple of 1.10

= 22% × 5 years = 0.22 × 5 = 1.10

After 15 years your benefit multiple = 2.70
In this example, if you continued nominated contributions of 7% beyond the 15 years, only nominated contributions of 5% would count towards your defined benefit for this extra period, with the excess 2% allocated to your 'excess contributions' account.

Note: This example is provided for illustration purposes only. It should not be relied on for any other purpose.

Calculating your Final Average Salary (FAS)

Salary in the Westpac Group Plan - Defined Benefit means your superannuation salary (see page 6 for an explanation of superannuation salary). The make-up of your superannuation salary depends on employment mode and remuneration package (e.g. full-time, part-time, unpackaged or packaged). Your FAS is normally the average of your annual superannuation salary in the three years immediately before your retirement or leaving Westpac. However, FAS may be calculated differently if you cease working before age 60 due to death or disability.

For example, if your superannuation salary was $35,000, $36,000 and $37,500 in the three years before you retired or left Westpac, your FAS would be calculated as:

($35,000 + $36,000 + $37,500/3

= $108,500 / 3

= $36,617

Super salary for packaged employees

If you're a packaged employee, your FAS is apportioned into two parts:

Part 1: before 31 December 1999	Part 2: from 31 December 1999
FAS is calculated based on a super salary of 79.5%* of package value.	FAS is calculated based on 100% of package value.

* Some members may have a factor higher than 79.5%.

See the example on page 12 to see how this is applied when calculating your super benefit.

YOUR WITHDRAWAL AND RETIREMENT BENEFITS

Withdrawal benefit

If you leave Westpac before age 55, you will receive a withdrawal benefit. Your withdrawal benefit can be either:

→ an *accumulation-style benefit*: based on contributions, investment performance and a component funded by Westpac, or

→ a *defined benefit*: based on a formula.

You can choose to take either of these benefits as your withdrawal benefit (subject to eligibility). Your SuperSave account (plus any excess contribution account, less any surcharge and early release accounts) is paid in addition to your accumulation-style benefit or defined benefit.

Your accumulation-style benefit

(called 'lump sum withdrawal benefit')

The accumulation-style benefit equals:

Your nominated contributions		**Westpac funded portion**		**A top-up amount**
= Pre 1/7/92 account + Post 30/6/92 account[1]	+	= Pre 1/7/92 account x service factor[2] + the greater of: Post 30/6/92 account[1] x service factor[2] or SG account	+	If you are eligible for a defined benefit (see below), and it is greater, a top-up amount is added to your accumulation style benefit so both are equal

1_This account is subject to a maximum average of 5% of super salary per year of membership of the Westpac Staff Super Plan and Westpac Group Plan – Defined Benefit since 1 July 1992. This is shown as your Notional Post 30/6/92 account on your annual super statement. Any nominated contributions you have made above the 5% average are paid to you, adjusted for investment performance, when you leave. These are called excess contributions.

2_Your service factor is equal to 10% for each year of qualifying service (pro rated daily), subject to a maximum of 100% after 10 years.

Your SuperSave account (plus any excess contribution account, less any surcharge and early release accounts) is paid in addition to your accumulation style benefit. See page 12 for an example of how the accumulation-style benefit is calculated.

Your defined benefit

You may be eligible for a defined benefit when you leave Westpac if you:

→ have at least 10 years of qualifying service with Westpac, or

→ joined the former Westpac Staff Super Plan on or before 11 October 1996, are age 40 or over and have at least 5 years' qualifying service with Westpac,

and on leaving Westpac you are entitled to receive a lump sum withdrawal benefit.

In these circumstances, you may be able to elect to receive the discounted accrued benefit in lieu of the accumulation-style withdrawal benefit.

Your defined benefit =
Benefit multiple × Final Average Salary (FAS) × Discount Factor

See pages 9 and 10 for details on how to calculate your benefit multiple and FAS.

The Discount Factor is equal to 2% for each year between the day you leave Westpac and age 55 to produce your discounted accrued benefit.

Your defined benefit is subject to a minimum of your aggregate retirement benefit accrued before 1 July 1992 reduced by 2% for each year between the day you leave Westpac and age 55, SG benefit, plus nominated contributions adjusted for investment performance.

Your SuperSave account (plus any excess contribution account, less any surcharge and early release accounts) is paid in addition to your defined benefit. See page 12 for an example of how the defined benefit is calculated.

Example – Accumulation-style benefit

You joined the former Westpac Staff Super Plan after 1 July 1992, and resign after 15 years. You have always made nominated contributions at 5%.

Let's assume the following facts:

Your post 1/7/92 account (nominated contributions)	$52,500
SG account	$88,200
SuperSave account	$12,700

Your accumulation-style benefit equals:

Post 1/7/92 account	$52,500

plus the greater of:

- → post 1/7/92 account ($52,500), or
- → SG account ($88,200)

Total accumulation-style benefit = $140,700
(called 'lump sum withdrawal benefit')

+ SuperSave account	**$12,700**
Your total benefit	**$153,400**

Note: This example is provided for illustration purposes only. It should not be relied on for any other purpose.

Example – Defined benefit

Let's say you resign after 25 years in the Westpac Group Plan - Defined Benefit and former Westpac Staff Plan. You are entitled to the discounted accrued benefit (which is greater than the accumulation-style withdrawal benefit). You are an unpackaged employee.

Let's assume the following facts:

Benefit multiple:	4.50
FAS:	$70,000
Age:	45
SuperSave account:	$12,700

Calculating your discounted accrued benefit (DAB):

= Benefit multiple (4.50) × FAS ($70,000)	= $315,000
Age 45 so reduce by 10 years × 2% = 20%	
= $315,000 – ($315,000 × 20%)	= $252,000
Total DAB	**= $252,000**
+ SuperSave account	**<u>$12,700</u>**
Total benefit paid	**= $264,700**

Note: This example is provided for illustration purposes only. It should not be relied on for any other purpose.

Top up amount

If your defined benefit is greater than your accumulation-style benefit (see page 11), an amount will be added to your accumulation-style benefit so that both benefits are equal.

Preservation

The defined benefit (or discounted accrued benefit) is fully preserved, unlike the accumulation-style benefit which may have a portion that is non-preserved if you made nominated contributions before 1 July 1992. See page 15 for more details on preservation.

Retirement benefit

If you are aged 55 or over you will be entitled to a retirement benefit when you leave Westpac. You can take your retirement benefit as a lump sum, as a pension, or as a combination of both.

The following provides information on your lump sum benefit. See page 14 for a discussion of the pension option.

For unpackaged employees

Your benefit is calculated as:

Lump sum retirement benefit =

Benefit multiple × Final Average Salary (FAS)

(see pages 9 and 10 for details on how to calculate your benefit multiple and FAS).

Your SuperSave account (plus any excess contributions account, less any surcharge and early release accounts) is paid in addition to your lump sum retirement benefit.

Example – retirement benefit for unpackaged employees

Let's say you are an unpackaged employee, aged 58 and you retire after 38 years in the Westpac Group Plan - Defined Benefit and former Westpac Staff Super Plan.

Let's assume the following facts:

Benefit multiple:	6.84
FAS:	$60,000
SuperSave account:	$10,000

Calculating your benefit:	
= Benefit multiple (6.84)	
× FAS ($60,000)	= $410,400
Lump sum retirement benefit	**= $410,400**
+ SuperSave account	**$10,000**
Total benefit paid	**= $420,400**

Note: This example is provided for illustration purposes only. It should not be relied on for any other purpose.

Minimum retirement benefit

The total value of your retirement benefit will always be at least equal to the greater of:

- → your lump sum withdrawal benefit (see page 11), or
- → the sum of your retirement benefit that accrued in the Westpac Staff Super Plan before 1 July 1992, your Post 30/6/92 account, your SG benefit and any monies you have paid to purchase additional membership.

For packaged employees

Your benefit is also calculated in two parts.

Your benefit is calculated as:

Lump sum retirement benefit	=	Membership of the Westpac Staff Super Plan before 31/12/99 Pre 31/12/99 benefit multiple x Pre 31/12/99 FAS	+	Membership of the Westpac Staff Super Plan and the Westpac Group Plan – Defined Benefit from 31/12/99 Post 31/12/99 benefit multiple X Post 31/12/99 FAS

See pages 9 and 10 for details on how to calculate your benefit multiple and FAS.

Your SuperSave account (plus any excess contributions account, less any surcharge and early release accounts) is paid in addition to your lump sum retirement benefit.

Example – retirement benefit for packaged employees

Let's say you were a packaged employee, aged 58 and you retired after 30 years in the Westpac Group Plan - Defined Benefit and former Westpac Staff Super Plan.

Let's assume the following facts:

Benefit multiple from date you joined the Westpac Group Plan - Defined Benefit to 31 December 1999:	3.60
Benefit multiple from 31 December 1999 to retirement:	1.80
SuperSave account:	$10,000

For the last three years, your package values are: $70,000, $72,000 and $74,000

Step 1 – calculating your FAS for the period before 31 December 1999:

For the period before 31 December 1999, your benefit is based on your FAS calculated as the average of your Super Salary over the last three years based on 79.5% of your package value.

Super salary for membership before 31 December 1999

	79.5% x $70,000	= $55,650
	79.5% x $72,000	= $57,240
	79.5% x $74,000	= $58,830
FAS	= $171,720 / 3	= $57,240

Step 2 – calculating your FAS for the period from 31 December 1999:

For the period from 31 December 1999 to retirement, your benefit is based on your FAS calculated as the average of your super salary over the last three years based on 100% of your package value.

FAS = ($70,000 + $72,000 + $74,000) / 3 = $216,000 / 3 = $72,000

Step 3 – calculating your retirement benefit for the total membership period

Benefit multiple x FAS for period before 31/12/99
= 3.60 x $57,240
= $206,064
+
Benefit multiple x FAS for period from 31/12/99
= 1.80 x $72,000
= $129,600

Lump sum retirement benefit	
= $206,064 + $129,600	**= $335,664**
+ SuperSave	**$10,000**
Total retirement benefit paid	**= $345,664**

Note: This example is provided for illustration purposes only. It should not be relied on for any other purpose.

Death, Total and Permanent Disability (TPD) and Total and Temporary Disability (TTD) Benefits.

This section is currently being updated. Information regarding Death and Disability Benefits is available by calling the Helpline on 1800 227 262.

Keep your benefit in Westpac Group Plan – as a retained member

If you leave Westpac, you can choose to keep all or part of your benefit in the Westpac Group Plan. If you do, you will become a retained member and your benefit will be transferred to an account in your name in the BT Super for Life – Westpac Group Plan (Accumulation Plan).

If you become a retained member:

- you can add to your account by making lump sum contributions at any time, and by rolling in other amounts from your other super funds
- you can make withdrawals from your account at any time provided you have met the necessary conditions of release
- administration and other fees apply
- your super balance, excluding your SuperSave account, will be invested in the Advance WS Balanced Growth investment option[1] (unless you elect otherwise)
- your SuperSave account balance will be invested in the same investment option(s)[1] that applied in the Westpac Group Plan – Defined Benefit (until you elect otherwise)
- any insured death and disablement benefits in Westpac Group Plan – Defined Benefit will continue as fixed cover and you will pay premiums based on the competitive Westpac Group Plan premium rates;
- you can apply for additional insurance cover; and
- you can access your super account details through internet banking.

More information on the retained member category can be found in the BT Super for Life – Westpac Group Plan (for former members of the Westpac Staff Super – Accumulation Plan) Product Disclosure Statement.

[1] If you have never made an investment choice on any existing BT Super for Life – Westpac Group Plan account or on your SuperSave account and we do not receive a completed Benefit Payment form from you in relation to your Westpac Group Plan – Defined Benefit, any future contributions or rollovers into your BT Super for Life – Westpac Group Plan account will be invested in the BT Super for Life – Lifestage fund. From 1 July 2016 your transferred defined benefit will also be invested in this option if you have not made an investment choice either prior to the time of your transfer, or on your Benefit Payment form.

If you don't give payment instructions (or are un-contactable)

If you do not complete and return the *Benefit request form* within three months from the date you leave the Westpac Group, or if you are un-contactable, your super benefit will be automatically transferred to the retained member section of the BT Super for Life – Westpac Group Plan (Accumulation Plan) in accordance with the terms above.

Pension Options

If you are aged 55 or more when you leave Westpac, you can take your retirement benefit as a lump sum, as a pension, or as a combination of both.

You can also choose these options if you become totally and permanently disabled, or if you have chosen the Transfer Option (and you've reached your preservation age).

Features of the pension

- payable for the rest of your life, or until the end of the term of the pension
- payments are made fortnightly to your nominated bank account
- payments are indexed each year (pro rated if your pension commenced during the year) in line with the September Consumer Price Index to a maximum of 5% or such higher increase as the Trustee and Westpac approve
- your spouse and dependent children may also receive benefits if you die

Please see the *Member Information Booklet for the Westpac Group Plan – Defined Benefit Pension (including Spouse Pension)* for more information.

Unclaimed money

If you are aged 65 or over, no contributions or rollovers have been received for you in the past two years and you become uncontactable, your super will be considered to be unclaimed money and will be placed with the ATO. You are uncontactable if it has been five years since we last had contact with you and after reasonable efforts to contact you we have been unable to do so. If this happens, you will need to approach the ATO directly to claim your super.

Temporary residents – transferring to the ATO

Under certain circumstances, if you were a temporary Australian resident and have permanently left the country, the ATO can issue us with instructions to transfer your super to them. If this happens, your super will be transferred and you will need to approach the ATO directly to claim your super.

Transferring to the Accumulation Plan in BT Super for Life – Westpac Group Plan (as an 'accumulation' member)

Transfer Option

You can choose a Transfer Option that allows you to access your super in the Westpac Group Plan - Defined Benefit while you are still employed by Westpac. You can access your super in the following ways:

Your age	Your options
If you have reached your preservation age*	You can either: - transfer your whole benefit as a lump sum to the Accumulation Plan in BT Super for Life - Westpac Group Plan or - take a part, or all, of your benefit as a pension from the Westpac Group Plan - Defined Benefit while you're still working with Westpac. Any amount you do not take as a pension must be transferred as a lump sum to the Accumulation Plan in BT Super for Life - Westpac Group Plan.
If you have not reached your preservation age*	You can transfer your whole benefit as a lump sum to the Accumulation Plan in BT Super for Life - Westpac Group Plan.

* See page 15 for more details on preservation age.

If you choose the Transfer Option, your benefit in the Westpac Group Plan - Defined Benefit will be calculated as if you had left Westpac on the day before your transfer is processed.

Once you have chosen the Transfer Option the decision can't be changed. All future super contributions for you will be paid to the BT Super for Life - Westpac Group Plan and your super in future will be calculated as an 'accumulation' member. You cannot return to the Westpac Group Plan - Defined Benefit.

There are many differences between the Defined Benefits and 'Accumulation' Plan and it is important you understand these before choosing the Transfer Option. You should read all the information on the *Transfer option* available on the Forms tab of the website at westpacstaffsuper.com.au before making a decision. If you wish to take up this option, you can also download the *Transfer option form* from westpacstaffsuper.com.au.

Preservation of your super

Government legislation is designed to make sure that your super money is used only for retirement and, consequently, there are restrictions on when you can access your benefit.

Westpac's contributions and your nominated contributions and SuperSave contributions (including investment earnings on these amounts) are preserved. Preserved amounts must stay invested in an approved superannuation arrangement.

Government legislation states that preserved amounts over $200 are only accessible in cash if you:

- have permanently retired from work on or after your 'preservation age' (see below)
- reach age 60 and leave Westpac
- reach age 65 or more
- become totally and permanently disabled or die
- obtain release on compassionate grounds
- obtain release due to severe financial hardship, or
- leave Australia permanently (if you are a temporary resident and satisfy certain conditions, contact the Helpline on 1800 227 262 for more details)

Your preservation age

Your preservation age depends on your date of birth:

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

Any non-preserved amount you had at 1 July 1999 will remain non-preserved as a fixed dollar amount (earnings on these amounts from 1 July 1999 will be preserved). Non-preserved amounts are payable when you cease employment with Westpac.

NOMINATING YOUR BENEFICIARIES

A super benefit is payable if you die while you are a member of the Westpac Group Plan - Defined Benefit. Your benefit will help provide financial support for your beneficiaries.

The Trustee must decide who your benefit is paid to if you die. To guide the Trustee, you can nominate the person or people you would like to receive your benefit when you die while in the employ of Westpac.

The Trustee is not legally bound by your wishes but will take them into account when making its decision.

Who you can nominate

You have the choice of nominating one or more of your dependants. These can include:

- **your spouse**. This includes
  - your husband or wife via marriage;
  - a person with whom you are in a relationship that is registered under certain state or territory laws or
  - another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple
- **your child/children**
- any person with whom you had an **interdependency relationship*** at the time of your death, or
- any other person who was **financially dependent** on you at the time of your death.

If you don't have any dependants, the Trustee may pay your benefit to your legal personal representative (the executor or administrator of your estate). If your legal personal representative receives your benefit, it will be distributed according to your will, or if you don't have a will, according to State intestacy law.

If you don't have any dependants or a legal personal representative, the Trustee has the discretion to pay your super benefit to any person allowed by the law.

To let the Trustee know your wishes, you can nominate your beneficiaries online at westpacstaffsuper.com.au

Keeping your nomination up-to-date

It is important that you keep your beneficiary nomination up-to-date as your circumstances change. You can change your nomination online at any time at westpacstaffsuper.com.au. The later advice form will override any earlier nomination.

**An interdependency relationship is a close personal relationship between two people who live together, where one or both of them provide for the financial and domestic support and personal care of the other. An interdependency relationship may still exist if there is a close personal relationship but the other requirements are not satisfied because of some physical, intellectual or psychiatric disability.*

HOW YOUR MONEY IS INVESTED

Contributions from members and Westpac, adjusted for investment performance, make up the financial assets of the Westpac Group Plan - Defined Benefit

The assets are invested in line with the investment objective and strategy, as set by the Trustee in consultation with the actuary, and consented to by Westpac.

Your SuperSave account

You can choose one or more of the eight investment options offered by the Trustee for your SuperSave account. Each option has a different investment objective and strategy – you pick the option or mix of options that suits you best. The value of your SuperSave account depends on the performance of the investment option or options you have chosen.

Please read the *Member investment choice guide for SuperSave accounts* for details about each investment option.

Defined benefit assets

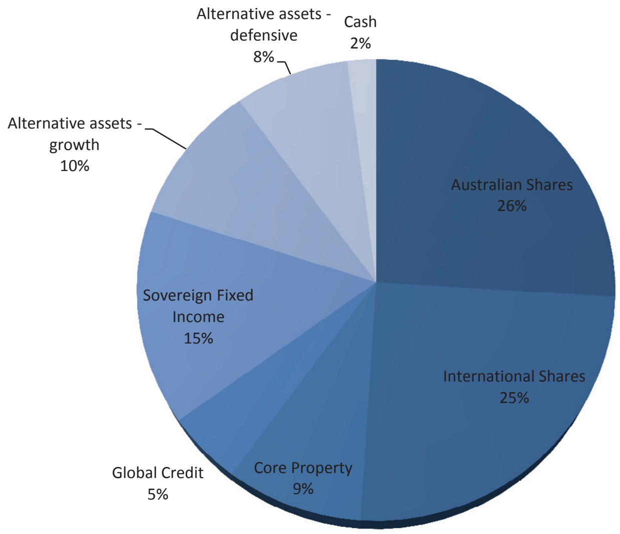
The majority of the assets of the Westpac Group Plan – Defined Benefit, excluding the assets related to members' SuperSave accounts, are invested in line with its investment objective and strategy, as set by the Trustee.

Investment objective and strategy

The objective is to achieve a long-term rate of return that generally exceeds inflation by at least 3.5 percentage points per annum over ten-year periods. However, in pursuing this objective the Trustee has determined that the investment strategy for the Westpac Group Plan – Defined Benefit should take account of the desire to maintain the realisable value of those assets above the value of past membership liabilities (value of benefits already accrued for all members plus the value of future pension payments).

The objective is framed around the risk of the investment performance being negative 1 in every 4 years.

The pie chart below shows the strategic allocation of the assets of the Westpac Group Plan – Defined Benefit.



Investment performance rate

The investment performance rate is the rate of return (positive or negative) applied at 30 June each year to:

- your nominated contributions, and Superannuation Guarantee (SG) benefit as at the previous 30 June, your excess contribution account, surcharge account and early release account (if applicable) and
- contributions received to these accounts during the year.

The investment performance rate does not apply to your SuperSave account as member investment choice is available (see *SuperSave investment choice*).

The investment performance rate is based on the net rate of return (positive or negative) of the Westpac Group Plan – Defined Benefit's investments to 30 June each year. The net rate of investment return allows for administration costs, investment management fees, and income tax on investment earnings.

Investment returns vary from year to year and negative returns are possible.

Interim investment performance rate

If your benefit becomes payable during the year before an investment performance rate is available for that year, investment performance is applied at the interim investment performance rate.

This interim rate applies to:

- your nominated contributions, SG, surcharge and early release accounts, and
- contributions received during the year into these accounts.

The interim investment performance rate is currently calculated as the expected net rate of investment return (positive or negative) of the Westpac Group Plan – Defined Benefit over the whole year, and is revised regularly to take account of actual investment returns.

If the interim investment performance rate is revised, the new rate usually applies from 1 July of that year until it is next revised or until the investment performance rate is available. An exception to this is if your benefit is payable after 30 June of a year but before the investment performance rate for that previous year is available.

If this is the case, then the interim investment performance rates that apply are:

- from 1 July to 30 June of the previous year, the rate that was effective on 30 June of the previous year, and
- from 1 July of the next year to the date your benefit becomes payable, the rate that is effective from 1 July.

For the current interim investment performance interest rate, visit westpacstaffsuper.com.au.

FEES

All fees are current at the time of printing and may be revised and adjusted by the Trustee from time to time due to changes to your super or the Plan. If the Trustee does increase fees, it must notify you 30 days in advance of the change.

The following table shows the fees that might apply to your super. The administration costs, investment management fees, and income tax on investment earnings in the Westpac Group Plan – Defined Benefit are deducted from earnings when calculating the investment performance rate and the interim investment performance rate.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee - The fee to open up your investment.	Nil	n/a
Contribution fee - The fee on each amount contributed to your investment - either by you or your employer.	Nil	n/a
Withdrawal fee - The fee on each amount you take out of your investment.	Nil	n/a
Termination fee - The fee to close your investment.	Nil	n/a
Management costs		
Administration Fee - This is the fee charged to cover the administration of the Westpac Group Plan - Defined Benefit.	0.20% of the Westpac Group Plan – Defined Benefit assets	The administration fee is used to pay the ongoing administration cost of the Westpac Group Plan – Defined Benefit. The fees are deducted from the underlying assets of the Westpac Group Plan – Defined Benefit before investment performance rates are declared.
Investment Management Fee - This is the fee for managing your investment, excluding your SuperSave account.	0.49% of the Westpac Group Plan - Defined Benefit assets	This fee is an estimate of the ongoing investment management costs, custodian costs and investment consultant costs directly related to your investment in the Plan, excluding your SuperSave account. The fee is deducted from the underlying assets of the Westpac Group Plan – Defined Benefit before investment performance rates are declared.
Investment management fee - for your SuperSave account.	This will vary depending on which SuperSave investment option you are invested in. Fees for your SuperSave investment options are set out in the *Member investment choice guide for SuperSave accounts*	This fee is an estimate of the ongoing investment management costs, custodian costs and investment consultant costs directly related to the investment options in your SuperSave account. This fee is calculated daily and deducted from the underlying assets of the investment option before unit prices are determined.
Service fees		
Investment switching fee - The fee for changing investment options.	Nil	n/a

Other information about fees

Fee increases

All fees may be revised, added to, increased or adjusted by the Trustee without your consent. If the Trustee does increase fees, it must notify you at least 30 days in advance of the change.

GST

Fees and costs shown in the *Fees* section include GST and stamp duty if applicable.

Income tax and its effect on fees

Tax is payable on investment earnings of the Westpac Group Plan - Defined Benefit at a maximum rate of 15%. However as the Westpac Group Plan - Defined Benefit is allowed a tax deduction in respect of certain fees and costs, the rate of tax actually payable may be less than 15%. More information regarding tax and its effect on fees is set out in the *Tax and super* section.

TAX AND SUPER

This section provides a general description of the tax treatment of super, current at the date of this booklet. The tax treatment of super can be complex. We strongly recommend that you obtain professional advice about how the tax laws affect you.

The information and rates in this section can change from time-to-time. Please refer to the Australian Taxation Office website www.ato.gov.au for the latest update to tax rates.

Super is generally taxed at two or three stages, depending on your age:

- → contributions paid into a super fund
- → investment earnings of the super fund
- → benefits paid from the super fund if you are aged less than 60.

Tax on benefits

The following tax rules apply on any cash withdrawals you make from super[1] (but not due to death – see below):

Your age	Tax rules
Age 60 or over	withdrawals are tax-free, whether you take it as a lump sum or a pension
Age 55 to 59	no tax on the tax-free portion[2]
	tax on the taxable portion[3]. On the taxable portion, there is no tax up to the low rate threshold ($165,000 for 2011/12 and $175,000 in 2012/13). Amounts above this are taxed at 16.5%.
Age 54 or under	no tax on the tax-free portion[2]
	tax of 21.5% on the taxable portion[3]

You cannot specify which components of your super to take when you make a withdrawal. All withdrawals will be paid from your tax-free and taxable portions in the same ratio or percentage they are of your total super.

1_The Westpac Group Plan - Defined Benefit is a taxed source and the above tax rules apply if you make a withdrawal. However, different tax rules will apply if you make a withdrawal from a super fund that is an untaxed source.

2_The tax-free portion consists of any after-tax contributions you have made, plus any pre-1983 super entitlement you may have. Your pre-1983 super entitlement is calculated as at 30 June 2007 as a dollar amount and does not change.

3_The taxable portion of your super is the total benefit minus the tax-free portion.

Tax on contributions

A provision for tax of 15% is deducted from contributions made by Westpac into the Westpac Group Plan - Defined Benefit, and from any salary sacrifice contributions you make. The contributions tax provision is levied on your net contributions after any insurance costs have been deducted.

Tax at 15% is also deducted from certain amounts paid from an untaxed source.

Excess contributions tax – additional tax on contributions that exceed a contributions cap

While you can contribute as much as you like, you may incur additional tax if your contributions exceed either or both your concessional contributions cap and your non-concessional contributions cap. Refer to the *How super works* section in this PDS for further details on the contributions caps.

If you exceed the contributions cap, additional tax applies to the excess amount at the following rates:

- → excess concessional contributions 31.5%
- → excess non-concessional contributions 46.5%

Note that excess concessional contributions also count towards the non-concessional contributions cap, and as such it may be possible to have both rates of tax apply to the same contribution.

Please note that it is your responsibility to ensure contributions to super are within your contributions caps. The Trustee is required to reject only certain single contributions which are in excess of the Fund cap (as outlined in *Contribution limits*) but it cannot monitor your overall position. If the total of all relevant contributions made for you to any super fund exceeds your contributions cap(s), you may have to pay excess contributions tax.

Tax on investment earnings

The investment earnings of super funds are generally taxed at 15%. However, investment earnings on assets used to fund a pension which has commenced payments are not subject to tax. Also, the actual rate at which the Trustee pays tax may be reduced below 15% due to the effect of various tax credits and rebates.

Tax on death benefits

Lump sum death benefits paid to dependants are tax free. Dependants for tax purposes generally include your spouse, a child under 18 and a person who is in an interdependency relationship with you, or is financially dependent on you, when you die. The taxable portion of a lump sum death benefit paid to a person who is not a dependant is taxed at 15% plus the Medicare levy.

If your spouse receives a pension when you die, the amount of tax payable on the pension will depend on your age and your spouse's age when you die. If you or your spouse are 60 or over when you die, the pension will be tax-free for your spouse. If you're under 60 when you die, the pension will be tax free when your spouse reaches 60.

Information you should know

This section details other things you should know about the Westpac Group Plan - Defined Benefit.

Privacy

Your privacy is important to us and we are committed to promoting a privacy policy that will ensure the privacy and security of your information. Our privacy policy is online at www.bt.com.au/general/privacy.asp and outlines the ways in which we aim to protect your personal information and what sort of personal information we hold about you, for what purposes, and how it is collected and disclosed.

How do we collect your information?

We and other Westpac Companies may collect your information from many places including correspondence with you, our telephone calls with you or you using our website or emailing us. We and other Westpac Companies may also collect your information from each other or from a service provider engaged to do something for us or another Westpac Company. Our service providers typically include custodians, investment administrators, information technology advisers, mail-house, auditors, legal advisers and consultants.

How do we use your information?

We and other Westpac Companies may use your information:

- to establish and administer the financial products and services we or any other Westpac Company provide to you (such as investments, super, insurance or loans);
- for product development, conducting market research and statistical analysis purposes; and
- to provide additional services to you, such as market updates and information on products and services available from us or any other Westpac company.

Without your personal information, we and other Westpac Companies may be unable to establish and administer your financial arrangements.

When do we disclose your information?

Sometimes, a Westpac Company, a service provider of your financial adviser may be located outside Australia. We and each Westpac Company may disclose your personal information:

- to each other, our service providers, or a person who acts on your behalf in relation to your investment (such as your financial adviser);
- as required or permitted by law; or
- with your consent

If health information is collected, then additional restrictions apply. The primary purpose for obtaining this health information is for us and the insurer, Westpac Life, to process your disability claim.

Westpac Life may disclose this type of health information to:

- your employer, only to the extent necessary to process any claim you make
- the trustee
- Westpac Life's reinsurers
- medical practitioners
- any person Westpac Life considers necessary to help either assess claims or resolve complaints; and
- anyone you have authorised or if required by law.

Information about your nominated beneficiaries

You agree to ensure that any person you nominate as your beneficiary is made aware that:

- you have nominated them as your beneficiary
- we and other Westpac Companies hold their personal information; and
- we and other Westpac Companies will use their personal information in determining to whom and in what proportion your super benefits will be paid upon your death, and to the extent that such information is not provided, we may not be able to pay your death benefits according to your wishes.

Complaint resolution

If you have a concern or complaint about the operation or management of the Westpac Group Plan - Defined Benefit, please contact the Helpline. If your concerns cannot be resolved over the phone, you can outline your complaint in writing by emailing customer.relations@btfinancialgroup.com. We will endeavour to resolve your complaint within 30 days of receiving your email, and are required by law to deal with your complaint within 90 days.

However, if you are not satisfied with the response, or have not received one within 90 days, you may contact the Superannuation Complaints Tribunal by calling 1300 884 114 or writing to Locked Bag 3060, Melbourne VIC 3001. The Tribunal is an independent body established by the Government to help members of super funds resolve complaints.

The Trustee and Trust Deed

Retirement Wrap operates as a trust, separately from Westpac, and is managed by a trustee company, BT Funds Management Limited. The Westpac Group Plan assets are kept separate from Westpac's assets.

The Westpac Group Plan - Defined Benefit is governed by a legal document called the Trust Deed, together with a Participation Schedule. These documents describe the rights and benefits of all members, as well as the duties and obligations of the Trustee and Westpac. If there is any discrepancy between these documents and this Member Booklet, the Trust Deed and Participation Schedule will be the final authority.

The Trustee's main responsibilities are to make sure:

- your rights and interests as a member are properly taken account of,
- benefits and pensions are paid correctly and at the appropriate time,
- the overall operation of the Westpac Group Plan - Defined Benefit is conducted in accordance with the Trust Deed, the Participation Schedule and relevant law.

Further information available

As well as sending you regular information and answering your questions, the Trustee can provide you with further information about the Westpac Group Plan - Defined Benefit upon request, including:

- the Trust Deed and Participation Schedule
- the investment policy statement
- the latest audited accounts
- the complaints resolution procedure, and
- a summary of the most recent actuarial report

If you'd like to see copies of these documents write to the Trustee or email us at customer.relations@btfinancialgroup.com.

Amending the Trust Deed or Participation Schedule

The Trust Deed and Participation Schedule describe the rights and benefits of all members, as well as the duties and obligations of the Trustee and Westpac.

As circumstances change, it may be necessary for these documents to be amended. You'll be advised, if the law requires, of the nature and effect of any material amendment made to the Trust Deed or Participation Schedule.

A copy of the Trust Deed or Participation Schedule can be made available upon written request or by contacting us on 1800 227 262.

Family Law and your super

Legislation allows legally recognised couples to make binding agreements or obtain Court orders from the Family Court in respect of how each partner's super will be divided upon the breakdown of a marriage or, in most States and Territories, de facto relationships.

Your super may need to be adjusted to reflect any agreements or Court orders which may be binding on the Trustee. Splitting your pension with your spouse may have tax consequences.

You should seek professional advice as to the consequences of separation on your pension.

Also, under the Family Law Act the Trustee is required to provide certain information about a member's interest in the Westpac Group Plan - Defined Benefit to 'eligible persons' where the information is required to negotiate a super agreement or to assist with a Court order. For the purposes of the Family Law Act an eligible person means a pensioner, the spouse of a pensioner or a person who intends to enter a super agreement with the pensioner.

The Trustee may charge a fee for actions to be taken under the Family Law Act in respect of your pension.

Transfer to other funds

The Trust Deed gives the Trustee the power in certain circumstances to transfer your benefits out of the Westpac Group Plan - Defined Benefit either with or without your consent as required or permitted by legislation.

Generally speaking, you may not rollover or transfer your benefits from the Westpac Group Plan – Defined Benefit, except:

(a) when you become entitled to a super benefit; or

(b) as may be approved by Westpac.

Financial position

Because the Plan provides defined benefits, a professional known as an actuary has been appointed to advise Westpac on the level of funding and the rate at which Westpac should contribute to finance the defined benefits of members of the Westpac Group Plan – Defined Benefit. Generally speaking, actuarial recommendations aim to provide a satisfactory level of funding for defined benefits in the Westpac Group Plan – Defined Benefit.