ELECTRICITY INDUSTRY
SUPERANNUATION SCHEME

Member's Booklet

RG SCHEME (DIVISION 4)

Adding power to your financial future.

Contents

Adding power to your financial future.

The RG Scheme continues the superannuation arrangements first introduced about 40 years ago.

From time to time, the RG Scheme has been upgraded and improved to ensure that it continues to provide members with benefits that meet their needs. The Scheme provides you:

- a lump sum benefit on retirement,
- financial protection for your family in the event of death, and
- financial help should you suffer invalidity and be unable to work again.

This booklet describes your benefits provided by the RG Scheme. It is a summary of the Division 4 Rules and contains important information for you and your family, so please read it carefully.

Employers

When you read this booklet, the word 'employer' refers to your employer, who is one of the employers in the electricity supply industry that contributes to the Scheme.

Contributions

Your contribution options

The percentage you contribute is flexible. You can choose to contribute at one of the four regular rates:

- 1.5% of Scheme Salary,
- 3% of Scheme Salary,
- 4.5% of Scheme Salary, or
- 6% of Scheme Salary

or you may be able to contribute at one of the 'catch-up' rates of 7.5% or 9% of Scheme Salary (see below).

Also you can cease contributing from time to time.

Flexible contribution rates let you control your money – you can pay less into the Scheme when you need extra cash, then boost your contribution rate later when the pressure on your pay eases. You can change your contribution rate at any time simply by advising the Superannuation Administrator in writing.

You can 'catch up' your contributions

The 'catch up' contribution rates of 7.5% or 9% can be used to make up for any period when you were contributing at less than 6%.

In calculating this average, you are deemed to have contributed at the 3% rate during your membership before 6 October 1986.

Additional Voluntary Contributions

The flexible contribution rate system allows you to contribute up to 9% of your salary, or up to 6% once you completely "catch up". You can contribute more as 'additional voluntary contributions'.

Additional voluntary contributions can be paid as salary deductions in multiples of 1½% of salary, ie 1½%, 3%, etc, as approved by the Superannuation Board. These salary deductions may be stopped or varied at any time. Additional voluntary contributions can also be made by one-off lump sum payments at any level approved by the Superannuation Board. These payments can be paid direct to the Scheme.

Additional voluntary contributions cannot be used as 'catch-up' contributions and they do not attract any extra employer subsidy – refer page 7. They are a way of saving your own money until retirement in an efficient manner.

Understanding 'Scheme Salary'

Your superannuation contributions are calculated as a percentage of your 'Scheme Salary'. This is the greater of your actual pay and a minimum equal to the pay for a Trade Skilled Worker Grade 2 at ETSA Utilities. Overtime, separate allowances and shift loadings, and payments for higher duties are **not** included.

How are contributions paid?

Member contributions are generally paid as deductions from your after-tax pay. Your employer then forwards these deductions to the Superannuation Board.

If your employment arrangement allows for salary sacrifice, you may (with the agreement of your employer) have your contributions made from pre-tax pay. Different taxation arrangements apply if you make contributions from your pre-tax pay as opposed to your after-tax pay.

If contributions are not paid, the Superannuation Board has the power to deem that you have chosen to stop contributing and will adjust your benefits accordingly, with appropriate notice to you.

Investment Choice

Benefits and investment earnings

The Scheme is a joint venture between you and your employer.

- You contribute at one of several possible percentages of your pay. These contributions plus investment earnings provide one part of your eventual benefit when you leave.
- The remainder of your benefit comes from your employer. This part of your benefit is generally based on a multiple of your own contributions accumulated with investment earnings, but it can be linked to your final pay where a benefit limit applies.

Whatever your benefit, investment earnings on Scheme assets directly affect the size of your benefit. How the Superannuation Board invests your contributions is therefore important.

Investment strategy and goals

Your investment goals will determine which investment strategy is best for you.

Short-term goals

- Your goals could be short term. If you plan to retire soon and you know you will want to take part of your benefit as a lump sum, it may be best to adopt a defensive approach, using secure short-term investments such as cash and deposits. This type of strategy will provide you with less volatility.

Long-term goals

- For many RG Scheme members, retirement age is a fair way off. If this is the case, you may wish to seek out the higher returns that can come from investing long term in growth assets like shares and property. These assets have a greater risk of negative returns in the short term.

Changing goals

- Over time, goals change. You can change your investment strategy as your needs and goals change.

Your money – your choice

To ensure your investment strategy is aligned with your goals, the RG Scheme allows you to choose between two investment portfolios for your own contributions.

Diversified Growth Portfolio

The 'Diversified Growth Portfolio' aims to hold 75% of assets in shares and property. At any one time the percentage of growth assets held must be in the range of 55 to 85%. The balance is in defensive assets like cash and fixed interest.

Annual investment earnings from this portfolio can be positive or negative.

This portfolio is the default choice. Your contributions will be invested under this strategy unless you choose the alternative.

Cash Plus Portfolio

The alternative and more conservative investment option available is the 'Cash Plus Portfolio'. Under this portfolio, your contributions will be invested solely in cash, deposits and short-term fixed interest.

The objective for this portfolio is to avoid negative returns.

Please refer to your Investment Choice Booklet for further information on your investment choices.

Your transfer options

You can transfer all of your contributions between the two options. An Investment Choice Form is available for this purpose. This form tells you when transfers can take place.

Transfers from the 'Diversified Growth Portfolio' to the 'Cash Plus Portfolio' are free.

If you transfer back to the 'Diversified Growth Portfolio', you will have to pay for the cost of buying shares. The cost is expected to be 0.6% of the amount transferred.

Your on-going contributions

All of your future member contributions will be invested in the same way as your past contributions. Hence, when you switch investment options, your future contributions will also be switched to your new choice.

Your Benefits

Superannuation is a co-operative effort. You put your money into the Scheme and your employer adds to this. Your main benefit under the RG is made up of several parts:

Part A:

Your **contributions** to the RG Scheme, with interest on them from year to year.

Part B:

Your **employer subsidy** based on your contributions with interest.

Part C:

Any **Special Gratuity** arising from service before 31 December 1973. This is built up from small supplementary amounts for each year of service prior to 31 December 1973, accumulated with interest.

Part D:

The accumulation with interest of your balance as at 1 July 1992 transferred from the **old ETSA Occupational Superannuation Scheme.**

Part E:

Your **additional occupational benefit** based on your period of membership since 1 July 1992 and on your annual Scheme Salary.

The sum of **Parts A, B, C, D** and **E** is called your **Full Scheme Benefit.**

If you pay additional voluntary contributions, the Full Scheme Benefit also includes the accumulation of these contributions with interest, less any tax adjustments.

Your employer subsidy

Part B of your benefit (the employer subsidy) is calculated as $2^{1}/_{3}$ times your contributions – excluding any additional voluntary contributions – with interest. This means that the size of your eventual benefit depends directly on the contributions you pay, up to the 6% average limit. Put simply, the more you put into the Scheme under the flexible contributions rate system, the more you will eventually get back.

There is a limit, though, on the total of the Employer Subsidy under Part B and the Special Gratuity under Part C.

If you retire at age 60 or over, this total is limited to 4.9 times your annual Scheme Salary at retirement. Lower limits apply if your service ceases at an earlier age, as follows:

AGE WHEN SERVICE CEASES	LIMIT ON PART B EMPLOYER SUBSIDY PLUS PART C SPECIAL GRATUITY
59	4.76 X ANNUAL SCHEME SALARY
58	4.62 X ANNUAL SCHEME SALARY
57	4.48 X ANNUAL SCHEME SALARY
56	4.34 X ANNUAL SCHEME SALARY
55 OR LESS	4.20 X ANNUAL SCHEME SALARY

Your additional occupational benefit

Part E of your benefit (the additional occupational benefit) is calculated as:

- 3.4% of your annual Scheme Salary for each year of membership of the RG Scheme after 1 July 1992 (allowing for complete months).

Your Retirement Benefit

When you retire after age 55, you will receive a cash lump sum from the RG Scheme. The benefit is your '**Full Scheme Benefit**', as described in the previous section.

Note that legislation may, in the future, limit the extent to which you can access your benefit in cash before age 60.

Example

Colin retires on 1 July 2004 when he is 60. His details are:

- annual Scheme Salary at that time is $45,000;
- accumulated member contributions and interest is $60,000;
- Special Gratuity with interest is $3,000; and
- old Occupational Scheme accumulation is $5,000.

The various parts of his benefit are calculated as follows:

Part A

His contributions plus interest is $60,000.

Part B

His employer subsidy is $60,000 x $2\frac{1}{3}$ = $140,000

[4.9 times his annual Scheme Salary ($45,000) equals $220,500. His employer subsidy ($140,000) plus his Special Gratuity ($3,000) is less than this, so the limit on the employer subsidy plus Special Gratuity does not apply].

Part C

His Special Gratuity is $3,000.

Part D

His old Occupational Scheme accumulation is $5,000.

Part E

His additional occupational benefit is calculated as: 3.4% of $45,000 (his annual Scheme Salary) times 12 (the number of years since 1 July 1992) which equals $18,360.

Colin's Full Scheme Benefit is the sum of these parts which equals $226,360.

Your Invalidity and Death Benefits

The RG Scheme can provide valuable financial help if you have to give up work because of invalidity before reaching retirement age.

The Scheme also helps provide financial support for your family in the event of your death.

This cover applies 24 hours a day, 7 days a week, at work, at home, or anywhere else while you remain with your employer.

Your invalidity benefit

The invalidity benefit is paid if, on the recommendation of the Superannuation Board, you are retired by your employer on the ground of invalidity. Invalidity means physical or mental incapacity to carry out your duties of employment.

The Superannuation Board bases its decision on medical reports and the advice of its medical adviser. The Board may seek further medical evidence and arrange for you to be medically examined by a doctor or a specialist of its choice. All costs for medical reports requested by the Board will be paid for by the Scheme.

How much is paid?

The basic invalidity benefit is equal to your '**Full Scheme Benefit**' at the time you leave your employer and is paid as a cash lump sum. It is payable even if you are also eligible for any workers' compensation payments.

The Scheme also provides extra financial protection through a minimum level of invalidity cover.

It works this way. If the total of your contributions with interest at the time of invalidity is less than twice your annual Scheme Salary, your benefit will be increased by the difference.

Example

Suppose that Colin in the previous example was retired on the ground of invalidity just as he was about to turn 60.

His basic invalidity benefit equals $226,360 (his Full Scheme Benefit).

Twice his annual Scheme Salary (ie twice $45,000) is $90,000. This exceeds his contributions plus interest ($60,000). The difference is $30,000.

Hence an additional $30,000 is paid on retirement on the ground of invalidity. This gives him a total benefit of $256,360.

Your death benefit

The death benefit is the same as the invalidity benefit, though the minimum cover only applies if a spouse or dependant survives you.

'**Spouse**' includes a defacto spouse if he or she is declared to be your spouse under the Family Relationships Act 1975. Basically this Act requires you to have lived together as husband and wife for five years, or to have been the parents of a child.

Nomination of Beneficiaries

You can nominate a person or persons to whom the death benefit is to be paid and how you want it to be shared between them. So long as certain legal conditions are satisfied, this nomination is legally binding on the Superannuation Board.

You may change your nomination at any time. You should submit a new nomination whenever your personal circumstances change, *eg* in the event of your marriage, divorce, etc. Contact the Superannuation Administrator for a 'Nomination of Beneficiaries' form.

Nominating your beneficiaries is voluntary. If you do not make a nomination, the Superannuation Board will, at its own discretion, pay the benefit in such shares as it thinks fit to any spouse, child or dependant, or to your estate.

Your Retrenchment and Voluntary Separation Benefits

A lump sum benefit is available if you are retrenched by your employer, or if you take a voluntary separation package before age 60.

'**Retrenchment**' is defined in the Scheme Rules to mean termination of employment by your employer, except:

- termination on account of invalidity, *or*
- dismissal on account of conduct, performance or loss of qualification.

It includes termination of employment of a contract employee by the employer prior to the expiration of the contract for reasons other than conduct or performance.

'**Voluntary separation**' means termination of employment before attaining age 60 upon acceptance of a voluntary separation package offered by your employer.

What is the amount of the benefit paid on retrenchment or voluntary separation?

In either case, the lump sum benefit is the '**Full Scheme Benefit**' – refer page 7.

There is a difference however in the way you can access the benefit.

Paying your benefit on retrenchment

If you are retrenched, Parts A, B and C of your Full Scheme Benefit may be taken in cash. Parts D and E must be rolled over to an approved superannuation fund where they will be subject to the Government's preservation rules.

As an alternative, where you take part of your benefit in cash, Parts D and E may be left in the RG Scheme until retirement, or earlier death or invalidity. They will then be updated, while left in the Scheme, in the same manner as the corresponding parts of the resignation benefit left in the Scheme (refer page 11).

Paying your benefit on voluntary separation

The benefit payable on voluntary separation must be rolled over to an approved rollover fund. However, Parts A, B and C can then straightaway be accessed in cash. Parts D and E would be subject to the Government's preservation rules.

Please note that legislation may, in the future, limit the extent to which you can access your benefit in cash before age 60.

Your Resignation Benefit

If you resign from your employer and do **not** take up another job in the electricity supply industry, you will receive a benefit from the Scheme.

If you resign to take up another job in the electricity supply industry, you would generally **remain** a member of the Scheme and **not** receive a benefit at that stage. There are however two situations in which you can **choose** to take a benefit, instead of remaining in the Scheme. They occur where your new employer is **not** related to your old employer, or where your new employment is outside of South Australia – refer page 14 for details.

The same arrangements and benefits apply if you are dismissed by your employer.

This section of your Booklet describes the benefits available if you **can** take a benefit, or if you are able to **choose** to take a benefit.

Your Resignation Benefit

The resignation benefit applies where you resign (or are dismissed) before age 55.

It gives you two options:

Option 1:

you can leave your benefit in the RG Scheme, *or*

Option 2:

you can take a significantly smaller benefit, partly in cash and partly as a preserved benefit, with the preserved benefit being either rolled-over to another fund or left in the RG Scheme.

Your options are as follows.

Option 1:

Leaving your benefit in the Scheme

If you choose to leave your resignation benefit in the Scheme, it must remain preserved until a time of your choice between your 55th birthday and your 65th birthday, or until earlier death or invalidity.

Your preserved resignation benefit will equal your Full Scheme Benefit calculated as at the date you resign, and then adjusted up to the date your benefit is paid. The adjustment made varies according to the various parts of your Full Scheme Benefit. The parts derived from your contributions (Part A), any Special Gratuity (Part C) and the old Occupational Superannuation Scheme (Part D) are adjusted according to investment earnings. The other parts (Parts B and E) are adjusted each year according to the movements in the Consumer Price Index (CPI).

Option 2:

Taking a cash benefit and a preserved benefit

If you choose the 'cash plus preserved' option, then:

- the amount you will receive **in cash** will equal:

  your contributions to the Scheme plus a partial allowance for interest before 1 February 1990 and a full allowance for interest according to investment earnings after 1 February 1990;

- and your **preserved** benefit will equal:

  the old Occupational Scheme accumulation (*ie* the benefit described earlier as Part D), *plus*

  the accumulation with interest of notional employer contributions at the Superannuation Guarantee level as from 1 July 1992.

In the period between 1 July 2000 and 1 July 2002, the notional employer contribution used in this accumulation is 8%* of your pay, less 0.3% of your pay to allow for insurance costs covered by your employer. The pay used in this calculation is your ordinary times earnings, up to the maximum set out in the Superannuation Guarantee legislation (*eg* $110,040 pa in 2001/2002).

* *After 1 July 2002, the 8% becomes 9%.*

The preserved benefit may either be left in the Scheme until age 55, or else rolled over to another approved superannuation fund where it must be preserved in accordance with Government rules.

Example

Jeff resigns from his employer on 30 June 2002, having been in the RG Scheme since 1977. His details are:

- annual Scheme Salary at that time is $31,000;
- accumulated member contributions plus full interest total $45,000;
- accumulated member contributions plus partial interest before 1 February 1990 and full interest thereafter total $42,000;
- old Occupational Scheme accumulation is $5,000;
- minimum Superannuation Guarantee benefit since 1 July 1992 is $20,000.

If Jeff chooses **Option 1**, the parts of his benefit left in the RG Scheme are calculated as follows:

Part A – His contributions plus full interest is $45,000.

Part B – His employer subsidy is $45,000 x $2^1/_3$ = $105,000.

Part C – The Special Gratuity is zero, as he joined the Scheme after 1973.

Part D – His old Occupational Scheme accumulation is $5,000.

Part E – His additional occupational benefit is calculated as:

3.4% of $31,000 (his annual Scheme Salary) times 10 (the years since 1 July 1992) which equals $10,540.

Jeff's initial benefit left in the Scheme is the sum of all these parts, *ie* **$165,540**.

While left in the Scheme, the benefit is adjusted as follows:

- the $45,000 member contributions with interest (Part A) and the old Occupational Scheme accumulation of $5,000 (Part D) are adjusted by investment earnings,
- the balance of $115,540 increases each year in line with CPI.

But if Jeff chooses **Option 2** – to take the 'cash plus preserved' benefit – the amounts are:

Cash – $42,000 (the member contributions with partial interest)

Preserved – $5,000 (the old Occupational Scheme accumulation) + $20,000 (the Superannuation Guarantee minimum) giving a total benefit of **$67,000.**

Making your choice

Only you can decide which option is best for you. When making your decision, you will need to consider your personal circumstances and goals and it is generally desirable to consult a financial adviser. If your circumstances allow, leaving your benefit in the Scheme will often give the benefit of highest value.

After you leave your employer you have three months to decide how you want to treat your resignation benefit. If you do not notify the Superannuation Administrator within that time, you will be taken to have elected the 'cash plus preserved' option (*ie* Option 2). Therefore if you intend to leave all your benefit in the Scheme, it is important to let the Superannuation Administrator know your intention.

Cash/preservation changes

Please note that legislation may, in future, limit the extent to which you can access your benefit in cash before age 60.

What are the Special Arrangements with Benefits?

Transfer to a new employer and continuing in the electricity supply industry

As a special arrangement applies if you transfer from your current employer to a new employer **and** you continue to work in the electricity supply industry.

- Under this arrangement, you automatically remain a member of the Scheme and you do not have the option of taking a benefit from the Scheme at that stage.

Where you remain a member of the Scheme, your new employer will be required to contribute.

Transfer back to the Government

The same arrangement applies if you transfer back to South Australian public sector employment under the transfer arrangements in Section 24, the Electricity Corporations (Restructuring and Disposal) Act 1999.

You must remain a member of the Electricity Industry Superannuation Scheme in the same division, if you accept transfer back to public sector employment upon your position with an electricity supply employer being identified as surplus to requirements. This means that you continue your superannuation with all the rights and benefits which you had before.

Changing your employer because of a 'transmission of business'

A special arrangement also applies where your change of employer occurs because of a 'transmission of business'. This could happen if your new employer has bought the part of the business of your former employer in which you were employed.

In this case, you must remain a member of the RG Scheme and you have no right to take one of the normal benefits at that stage.

Failure of an employer to pay contributions

Your employer is legally obliged to make contributions to the Scheme.

If, however, after following all available legal remedies the Board is unable to obtain the required contributions from an employer, then:

- where a benefit is payable from the Scheme to a member employed by that employer, the Board may withhold the part of the benefit which relates to the unpaid contributions, and
- the Board may adjust the benefits of members employed by that employer to take into account the unpaid contributions.

What if you transfer to an employment contract?

Special arrangements apply if you move to an employment contract and your employer classifies you as a 'Contract Employee' for the purposes of the Scheme Rules.

In this situation:

- your contributions to the RG Scheme must cease,
- your benefit will be preserved in the RG Scheme (refer Option 1 in the earlier section of this Booklet entitled 'Your Resignation Benefit'), and
- you will have the option to join either the Lump Sum Scheme (Division 2) or the Accumulation Scheme (Division 5) as a new employee.

Retrospective pay increases

Where your Scheme Salary is increased retrospectively by more than three months, you may choose that the increase is counted for Scheme purposes for the period in excess of three months. You must notify the Superannuation Administrator of your choice within one month of the increase being announced.

You would then pay retrospective contributions for this period and receive an employer subsidy on those contributions.

Tax reductions to benefits

Reductions to gross benefits on account of the movement of the Scheme into the normal private-sector taxed environment with effect from 1 July 2000.

While gross benefits are reduced, the net benefits received after tax are not reduced. Details are shown on termination statements.

Pending cash/ preservation changes

There are impending changes concerning the level of benefits that must be preserved until retirement, on account of Commonwealth Government rules. These changes may limit the amount that you can take in cash before permanent retirement.

The Government's preservation rules

A benefit subject to the Government's preservation rules can only be accessed:

(a) on leaving employment at or after age 60,

(b) at your genuine retirement from the workforce at or after you reach your preservation age,

Your preservation age depends upon your date of birth as follows:

DATE OF BIRTH	AGE
BEFORE 1/7/60	55
1/7/60 – 30/6/61	56
1/7/61 – 30/6/62	57
1/7/62 – 30/6/63	58
1/7/63 – 30/6/64	59
AFTER 30/6/64	60

(c) death,

(d) permanent disablement,

(e) financial hardship (as defined in Government rules).

Other Important Information About Your Superannuation

Legal basis of the Scheme

The RG Scheme operates as part of the Electricity Industry Superannuation Scheme.

A Trust Deed governs the whole Electricity Industry Superannuation Scheme, while separate sets of rules made under the Trust Deed determine the way in which individual arrangements, like the RG Scheme, must function.

The rules governing the RG Scheme are contained in Division 4 of the Scheme Rules.

The Rules

This booklet has been prepared as a guide to help you understand the main features of the RG Scheme. It should not be taken as covering all conditions of the Scheme.

The Scheme Trust Deed and Rules cover all matters relating to the operation of the Scheme and the detailed provisions regarding the payment of benefits. Any benefit to which you are entitled will be decided in accordance with the provisions of the Trust Deed and Rules.

The Electricity Industry Superannuation Board

The Electricity Industry Superannuation Board is responsible for running the Scheme, and ensuring it is properly administered in accordance with the provisions of the Trust Deed and Rules.

The Board is made up of nine members. Four members are appointed by the employers or the Treasurer. Two Board members are elected by Scheme members and two Board members are appointed by the United Trades and Labor Council of SA.

The ninth member is an independent chairman appointed by the eight other Board members.

There must be at least one man and one woman amongst the Board members appointed by the employers. Also, the two elected members must be a man and a woman.

How the Scheme is financed

The benefits are financed by:

- contributions by members and their employers;
- investment earnings in respect of those contributions.

Before January 2000, the employers generally paid for their share of the benefits only as the benefits were paid out when members ceased service.

Since January 2000 private-sector electricity supply employers have been ‘catching up’ for this lack of contributions in the past by making special contributions over a 5-year period. The payment of these contributions is guaranteed by the State Government. The special contributions, as well as ongoing contributions by employees and employers, are invested as part of the Scheme’s assets.

Investing the Scheme assets

The Superannuation Board is responsible for the investment of the Scheme assets. The assets may be invested in government securities, shares, property and a variety of other securities and the Board may appoint professional investment managers to invest part or all of the assets on its behalf.

Your Scheme’s annual report gives details of the investments held.

Interest credited

The net investment return is passed on to you through the interest credited to your contributions. The rate credited is set each year by the Superannuation Board to reflect the level of the Scheme's investment earnings. The rates may be positive or negative.

An interim interest rate is used initially for each year and this may vary during the year. Once the final rate for a year is set, it will not be changed later on.

Administration and investment charges

You are not charged directly for administration costs.

The employers pay for 70% of the administration costs of running the Scheme. The remaining 30% of the administration costs and the full costs of the investment activities are taken into account in setting the annual interest rates.

Protection and indemnity of Superannuation Board members

The members of the Superannuation Board are indemnified out of the Scheme assets for all expenses and liabilities that they personally incur in administering the Scheme.

However, this does **not** include liabilities arising from a Board member's personal fraud or wilful misconduct, wilful neglect or wilful default.

Trustee Indemnity Insurance

The Superannuation Board takes out Trustee Indemnity Insurance to protect itself, the individual Board members, and the Scheme assets, to the fullest extent possible. The cost of this insurance is paid from the Scheme assets.

Audit of the Scheme

The accounts of the Scheme must be independently audited each year.

Workers' compensation payments

If during your employment you receive workers' compensation payments, contributions will be payable as if the weekly payments were salary or wages.

Benefit statements

Each year you will receive a personal benefit statement giving information about your current benefits and the way your own contributions and other accumulations have built up over the year.

Your average contribution rate to date will be shown on your statement so that you may see whether you could pay extra contributions to build up your average contribution rate to 6%.

Information on request

The Superannuation Administrator can provide you with the following information on request:

- the Scheme's Trust Deed,
- relevant extracts from the Scheme's Rules,
- the latest audited Scheme accounts and annual report, and
- the Scheme's enquiries and complaints procedure.

The full Scheme Rules can be inspected at the office of the Superannuation Administrator during normal business hours.

Information from members and employers

The Superannuation Board can require you, your employer, or both to provide any information that it reasonably requires for the operation of the Scheme.

Surcharge

The Superannuation Board is required to advise the Australian Taxation Office each year of your employer superannuation contributions. These are notional amounts that are calculated to reflect the annual increase in the value of the employer-financed portion of your superannuation benefits.

In any year, when your adjusted taxable income is over a certain level (*eg* $94,691 for 2003/2004), or if you have not provided your Tax File Number to the Superannuation Board, the Taxation Office will issue an assessment for surcharge tax.

Depending upon your income level, the tax can be up to 15% of your employer contributions. The tax is on top of the standard 15% tax applicable to employer contributions.

Tax on benefits

In most cases tax is payable on benefits. The actual amount of tax payable depends on:

- the type of benefit,
- the date you commenced employment,
- whether you roll rollover over to another fund,
- when the benefit is taken as cash.

Remember to provide your Tax File Number

Make sure you provide your Tax File Number to the Superannuation Board when you join or leave the Scheme, otherwise, PAYG tax at the top marginal tax rate must be deducted from your benefit when it is paid in cash.

Rollover

You can legally postpone and, in some cases, reduce the amount of tax payable by keeping your money in the Scheme or by rolling over your benefit into an approved roll-over fund. Tax is generally payable when you make withdrawals at retirement from your rollover fund.

Independent advice

Because the Government Regulations relating to the taxation of benefits are so complex, it is a good idea to get independent financial advice when you are leaving the Scheme.

Understanding the Reasonable Benefit Limit (RBL)

The Government has imposed a limit on the size of the total benefit you can take in retirement and have taxed concessionally.

This limit is called the Reasonable Benefit Limit (RBL) and is indexed each year. For 2003/2004 the RBL is:

- $588,056 if you take your benefit as a lump sum, and
- $1,176,106 if you use at least half of your benefit to purchase a pension or annuity which meets the Government's requirements.

Transitional arrangements also apply, which may result in you having a higher RBL than the figures above indicate. You should note that a transitional RBL will only apply if it has been registered with the Australian Taxation Office; otherwise the above limit will automatically apply.

If you think your benefit may be affected by the RBL, you should seek advice from a financial adviser.

Any lump sum amount exceeding the lump sum RBL will be taxed at the top marginal rate.

Super and family law legislation

The Family Law Act allows married couples who permanently separate or divorce to split their super entitlements. This can be done as part of a property settlement, either by a legally binding agreement between the parties, or by Court Order. If you are in such a position, you should first seek advice from a legal adviser experienced in Family Law issues.

The Superannuation Board cannot provide you with any legal or financial advice in relation to Family Law matters. However, you or your spouse can request certain information from the Scheme about your benefit to assist in the separation process. You should speak to your legal adviser about this. It may also be in your best interests to speak to a licensed financial adviser about the impact of the Family Law Act in your particular circumstances.

Complaints procedure

You can make a complaint about any matter that adversely affects your benefits over the phone to the Superannuation Administrator on the number shown at the end of this booklet. We will endeavour to respond, by phone, within two working days.

If you are not satisfied with this response, you can make a written complaint addressed to the Secretary of the Electricity Industry Superannuation Board at the address shown at the end of this booklet.

All written complaints will be examined within five weeks of receipt and a decision will be made within 90 days of receipt.

Your Privacy

In order to provide you with superannuation benefits, including death and disability benefits, and to properly manage the Scheme, your Scheme holds personal information about you that identifies you as a member. This typically includes your name, address, date of birth, gender, occupation, salary, tax file number and any other required information.

The Scheme generally collects this information either from you or your employer. Your personal information may be disclosed to the Scheme's administrator and professional advisers, insurers, government bodies, your employer and other parties as required, including the trustee of any other superannuation fund to which you may transfer. By becoming a member of the Scheme, it is assumed that you consent to this handling of your personal information. If you do not provide the Scheme with your personal information, the Scheme may not be able to provide your superannuation benefits and choices.

You can access your personal information held by the Scheme. Should any of your personal information be incorrect, you may have the opportunity to correct it. Consistent with the legislation, there are some circumstances where you may be denied access to information. The Scheme's Privacy Officer will advise if any of these circumstances apply.

The Scheme abides by the National Privacy Principles under the Privacy Act 1988 and has adopted a Privacy Policy which sets out in more detail the way in which it handles members' personal information. If you would like a copy of the Scheme's Privacy Policy, please contact the Scheme's Privacy Officer.

Rule amendments

The Rules governing the Scheme can be changed by the Superannuation Board. Also employer approval is required for any change which increases the liability of an employer.

In approving any changes, the Superannuation Board would need to act in the interest of all beneficiaries of the Scheme.

Withdrawal of your employer from the Scheme

Your employer cannot withdraw from the Scheme without the consent of all members of the Scheme employed by your employer.

Withdrawal of money and loans from the Scheme

If you have elected to keep your benefit in the Scheme after leaving the employment of your employer, you will only be entitled to withdraw it upon reaching age 55.

Also, your Scheme benefits cannot be assigned to another person, or used to arrange a loan (either directly from the Scheme, or as security for a loan).

Need More Information?

If you want more information about the Scheme, please contact the Superannuation Administrator on –

Phone (08) 8404 5707
Fax (08) 8110 3499
Email eiss@mercer.com

or write to:

The Secretary
Electricity Industry Superannuation Scheme
Level 5
108 North Terrace
ADELAIDE SA 5000

The Scheme's Privacy Officer may be contacted in the same way.

ISSUED BY THE ELECTRICITY INDUSTRY SUPERANNUATION BOARD, OCTOBER 2003