UniSuper

Case studies

2015 DBD changes and your super

The DBD was changed after the 2008 monitoring period

After the 2008-2012 monitoring period, the UniSuper Board was required to consider whether changes to the members' benefits should be made to improve the long-term sustainability of the Defined Benefit Division (DBD).

Higher salary increases, lower investment returns and longer than anticipated life expectancies contributed to the underfunding of the DBD between 2008 and 2012.

On 5 August 2013, the Board changed the way future benefits accrue.

For benefits accruing from 1 January 2015, the Benefit Salary in the defined benefit formula is calculated based on:

- your average annual equivalent full-time salary over the past 5 years (up from 3 years)
- your actual past salary – no longer indexed by Consumer Price Index (CPI).

Generally, the 5-year Benefit Salaries are lower than the 3-year Benefit Salaries. In the unlikely event your 5-year Benefit Salary is higher than your 3-year Benefit Salary, your benefits accruing after 1 January 2015 will be calculated using the 4-year Benefit Salary.

Remember, there were no changes to benefits accrued before 1 January 2015.

We've put together some examples to show how this change might affect your defined benefit component including your inbuilt benefits. The following table outlines different case studies for defined benefit component (defined resignation or retirement benefit) changes and the table outlining the examples for inbuilt benefit changes can be found on Page 22.

Details below are as at 1 January 2015, the date that the Clause 34 change was implemented.

CASE STUDIES	
Maggie Page 2 See example	Age: 44 Benefit type: Division B Lump Sum DBD years of service: 7 Salary: $90,000

CASE STUDIES	
John Page 4 See example	Age: 26 Benefit type: Division B Lump Sum DBD years of service: 5 Salary: $90,000
Harry Page 6 See example	Age: 57 Benefit type: Division B Lump Sum DBD years of service: 30 Salary: $150,000
James Page 8 See example	Age: 57 Benefit type: Division B pension DBD years of service: 30 Salary: $150,000
Salvatore Page 10 See example	Age: 35 Benefit type: Division B Lump Sum DBD years of service: 10 Salary: $50,000
Mary Page 12 See example	Age: 40 Benefit type: Division B Lump Sum DBD years of service: 20 Salary: $100,000
Paul Page 14 See example	Age: 45 Benefit type: Division B Lump Sum DBD years of service: 25 Salary: $60,000
Simon Page 16 See example	Age: 55 Benefit type: Division A pension DBD years of service: 30 Salary: $125,000
Hannah Page 18 See example	Age: 55 Benefit type: Division B Lump Sum DBD years of service: 25 Salary: $120,000
Frank Page 20 See example	Age: 63 Benefit type: Division A pension DBD years of service: 28 Salary: $140,000

Example one: Maggie

This example focuses on Maggie. Maggie is aged 44, has 7 years of service in the DBD as a Division B member and has a salary of $90,000 on 1 January 2015 (the date that the Clause 34 change will be implemented). Members can refer to their statement to check if they are a Division A or Division B DBD member.

Assuming salary increases of 3.5% per annum, Maggie's salary levels for five years up to 1 January 2025 (10 years after the Clause 34 change) are outlined in the tables below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Maggie's Benefit Salary is calculated by adjusting her last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three-year period of $126,036. This is illustrated in the table below:

YEAR	MAGGIE'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	MAGGIE'S SALARY ADJUSTED FOR CPI INCREASES
2023	$118,513	$125,121
2024	$122,661	$126,034
2025	$126,954	$126,954
	Average Indexed Salary over three years (Benefit Salary)	$126,036

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits Maggie accrues after 1 January 2015. Her Benefit Salary for that part of the benefit will simply be an average of her last five salaries without any adjustment for CPI, giving her a Benefit Salary for service after 1 January 2015 of $118,653. This is illustrated in the table below:

YEAR	MAGGIE'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2021	$110,633
2022	$114,505
2023	$118,513
2024	$122,661
2025	$126,954
Average Salary over five years (Benefit Salary)	**$118,653**

Important: this change will not affect the benefit Maggie has accrued to the date of implementation (or how that part of her benefit grows in the future) – that is, there will be no impact on her benefit as at 1 January 2015. But from that date, the benefit she accrues will be calculated differently.

The example below shows the impact this change to Benefit Salary might have on Maggie's defined resignation benefit over time.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for Maggie showing her resignation benefit as at 1 January 2025, 10 years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

	BENEFIT SALARY	BENEFIT SERVICE (YEARS)	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2025
Benefit in respect of Benefit Service prior to 1 January 2015	$126,036 (based on current Benefit Salary calculation)	7 (service to 1 January 2015)	20.8%	100%	100%	$183,508
PLUS						
Benefit in respect of Benefit Service since 1 January 2015	$118,653 (based on changed Benefit Salary calculation)	10 (service from 1 January 2015)	20.8%	100%	100%	$246,798
					Total	**$430,306**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2015 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows Maggie's defined benefit as at 1 January 2025 if the changes to Benefit Salary were not made:

BENEFIT SALARY	BENEFIT SERVICE (YEARS) AT 1 JANUARY 2025	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2025
$126,036	10	20.8%	100%	100%	$445,663

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- The figures shown do not represent any specific member but are based on sample membership data.
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Maggie has no break in service or change in member contribution rate or service fraction between now and the projection date.
- The impact on Maggie's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in her defined benefit would not depend on her length of service at the implementation date, the percentage reduction in her overall defined benefit would be lower/greater if she had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- To the extent that information in this example is inconsistent with the UniSuper Trust Deed and Regulations (together with the Trust Deed) or the Trustee's Clause 34 resolutions, the Trust Deed and resolutions will prevail.

Example two: John

This example focuses on John. John is aged 26, has 5 years of service in the DBD as a Division B member and has a salary of $90,000 on 1 January 2015 (the date that the Clause 34 change will be implemented). Members can refer to their statement to check if they are a Division A or Division B DBD member.

Assuming salary increases of 3.5% per annum, John's salary levels for five years up to 1 January 2035 are outlined in the tables below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, John's Benefit Salary is calculated by adjusting his last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three-year period of $177,786. This is illustrated in the table below:

YEAR	JOHN'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	JOHN'S SALARY ADJUSTED FOR CPI INCREASES
2033	$167,174	$176,495
2034	$173,025	$177,783
2035	$179,081	$179,081
	Average Indexed Salary over three years (Benefit Salary)	$177,786

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits John accrues after 1 January 2015. His Benefit Salary for that part of the benefit will simply be an average of his last five salaries without any adjustment for CPI, giving him a Benefit Salary for service after 1 January 2015 of $167,372. This is illustrated in the table below:

YEAR	JOHN'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2031	$156,059
2032	$161,521
2033	$167,174
2034	$173,025
2035	$179,081
Average Salary over five years (Benefit Salary)	**$167,372**

Important: this change will not affect the benefit John has accrued to the date of implementation (or how that part of his benefit grows in the future) – that is, there will be no impact on John's benefit as at 1 January 2015. But from that date, the benefit he accrues will be calculated differently.

The example below shows the impact this change to Benefit Salary might have on John's defined resignation benefit over time.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for John showing his resignation benefit as at 1 January 2035, 20 years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

	BENEFIT SALARY	BENEFIT SERVICE (YEARS)	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2035
Benefit in respect of Benefit Service prior to 1 January 2015	$177,786 (based on current Benefit Salary calculation)	5 (service to 1 January 2015)	19.2%	100%	100%	$170,675
PLUS						
Benefit in respect of Benefit Service since 1 January 2015	$167,372 (based on changed Benefit Salary calculation)	20 (service from 1 January 2015)	19.2%	100%	100%	$642,708
					Total	**$813,383**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2015 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows John's Defined Benefit Component as at 1 January 2035 if the changes to Benefit Salary were not made:

BENEFIT SALARY	BENEFIT SERVICE (YEARS) AT 1 JANUARY 2035	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2035
$177,786	25	19.2%	100%	100%	$853,375

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- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that John has no break in service or change in member contribution rate or service fraction between now and the projection date.
- The impact on John's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in his defined benefit would not depend on his length of service at the implementation date, the percentage reduction in his overall defined benefit would be lower/greater if he had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- To the extent that information in this example is inconsistent with the UniSuper Trust Deed and Regulations (together with the Trust Deed) or the Trustee's Clause 34 resolutions, the Trust Deed and resolutions will prevail.

Example three: Harry (Division B lump sum)

This example focuses on Harry. Harry is aged 57, has 30 years of service in the DBD and has a salary of $150,000 on 1 January 2015 (the date that the Clause 34 change will be implemented).

Assuming salary increases of 3.5% per annum, Harry's salary levels for five years up to 1 January 2020 are outlined in the tables below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Harry's Benefit Salary is calculated by adjusting his last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three-year period of $176,865. This is illustrated in the table below:

YEAR	HARRY'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	HARRY'S SALARY ADJUSTED FOR CPI INCREASES
2018	$166,308	$175,580
2019	$172,128	$176,862
2020	$178,153	$178,153
	Average Indexed Salary over three years (Benefit Salary)	$176,865

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits Harry accrues after 1 January 2015. His Benefit Salary for that part of the benefit will simply be an average of his last five salaries without any adjustment for CPI, giving him a Benefit Salary for service after 1 January 2015 of $166,505. This is illustrated in the table below:

YEAR	HARRY'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2016	$155,250
2017	$160,684
2018	$166,308
2019	$172,128
2020	$178,153
Average Salary over five years (Benefit Salary)	**$166,505**

Important: this change will not affect the benefit Harry has accrued to the date of implementation (or how that part of his benefit grows in the future) – that is, there will be no impact on Harry's benefit as at 1 January 2015. But from that date, the benefit he accrues will be calculated differently.

This example shows the impact this change to Benefit Salary might have on Harry's defined benefit over time. It assumes that Harry has chosen to receive a Division B lump sum benefit.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for Harry showing his resignation benefit as at 1 January 2020, five years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

	BENEFIT SALARY	BENEFIT SERVICE (YEARS)	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2020
Benefit in respect of Benefit Service prior to 1 January 2015	$176,865 (based on current Benefit Salary calculation)	30 (service to 1 January 2015)	22.4%	100%	100%	$1,188,533
PLUS						
Benefit in respect of Benefit Service since 1 January 2015	$166,505 (based on changed Benefit Salary calculation)	5 (service from 1 January 2015)	22.4%	100%	100%	$186,485
					Total	**$1,375,018**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2015 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows Harry's defined benefit as at 1 January 2020 if the changes to Benefit Salary were not made:

	BENEFIT SALARY	BENEFIT SERVICE (YEARS) AT 1 JANUARY 2020	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2020
Basic Benefit	$176,865	35	22.4%	100%	100%	$1,386,622

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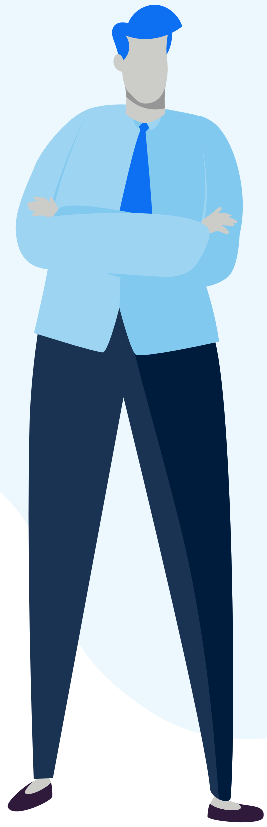
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Harry has no break in service or change in member contribution or service fraction between now and the projection date.
- The impact on Harry's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in his defined benefit would not depend on his length of service at the implementation date, the percentage reduction in his overall defined benefit would be lower/greater if he had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- Supplementary benefits are not affected by Clause 34 as per the Trust Deed and therefore have been omitted in this example.
- Under the rules of the scheme, Harry could choose to receive a Division A or Division B benefit upon retirement. This example illustrates the effect of the Clause 34 changes on the Division B lump sum benefit. Please refer to other examples on the website to see how other benefits are affected.

Example four: James (Division B pension)



This example focuses on James. James is aged 57, has 30 years of service in the DBD and has a salary of $150,000 on 1 January 2015 (the date that the Clause 34 change will be implemented).

Assuming salary increases of 3.5% per annum, James' salary levels for five years up to 1 January 2020 are outlined in the table below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, James' Benefit Salary is calculated by adjusting his last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three year period of $176,865. This is illustrated in the table below:

YEAR	JAMES' ACTUAL SALARY FOR SUPERANNUATION PURPOSES	JAMES' SALARY ADJUSTED FOR CPI INCREASES
2018	$166,308	$175,580
2019	$172,128	$176,862
2020	$178,153	$178,153
	Average Indexed Salary over three years (Benefit Salary)	$176,865

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits James accrues after 1 January 2015. His Benefit Salary for that part of the benefit will simply be an average of his last five salaries without any adjustment for CPI, giving him a Benefit Salary for service after 1 January 2015 of $166,505. This is illustrated in the table below:

YEAR	JAME'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2016	$155,250
2017	$160,684
2018	$166,308
2019	$172,128
2020	$178,153
Average Salary over five years (Benefit Salary)	**$166,505**

Important: this change will not affect the benefit James has accrued to the date of implementation (or how that part of his benefit grows in the future) – that is, there will be no impact on James' benefit as at 1 January 2015. But from that date, the benefit he accrues will be calculated differently.

This example shows the impact this change to Benefit Salary might have on James' defined pension benefit over time. It assumes that James joined the DBD prior to 1998 and chooses to receive a Defined Benefit Indexed Pension on 1 January 2020.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for James showing his defined benefit indexed pension as at 1 January 2020, 5 years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

	BENEFIT SALARY	BENEFIT SERVICE (YEARS)	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED BENEFIT INDEXED PENSION AS AT 1 JANUARY 2020
Benefit in respect of Benefit Service prior to 1 January 2015	$176,865 (based on current Benefit Salary calculation)	30 (service to 1 January 2015)	1.58%	100%	100%	$83,834 p.a.
PLUS						
Benefit in respect of Benefit Service since 1 January 2015	$166,505 (based on changed Benefit Salary calculation)	5 (service from 1 January 2015)	1.58%	100%	100%	$13,154 p.a.
					Total	**$96,988 p.a.**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2015 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows James' defined benefit as at 1 January 2020 if the changes to Benefit Salary were not made:

	BENEFIT SALARY	BENEFIT SERVICE (YEARS) AT 1 JANUARY 2020	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED BENEFIT INDEXED PENSION AS AT 1 JANUARY 2020
Basic Benefit	$176,865	35	1.58%	100%	100%	$97,806 p.a.

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- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that James has no break in service or change in member contribution or service fraction between now and the projection date.
- The impact on James' overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in his defined benefit would not depend on his length of service at the implementation date, the percentage reduction in his overall defined benefit would be lower/greater if he had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- Any Supplementary benefits that may be payable are not affected by Clause 34 as per the Trust Deed and therefore have been omitted in this example.
- To the extent that information in this example is inconsistent with the UniSuper Trust Deed and Regulations (together with the Trust Deed) or the Trustee's Clause 34 resolutions, the Trust Deed and resolutions will prevail.
- Under the rules of the scheme, James could choose to receive a Division A or Division B benefit upon retirement. This example illustrates the effect of the Clause 34 changes on the Division B pension benefit. Please refer to other examples on the website to see how Division A benefits are affected.

Example five: Salvatore

This example focuses on Salvatore. Salvatore is aged 35, has 10 years of service in the DBD as a Division B member and has a salary of $50,000 on 1 January 2015 (the date that the Clause 34 change will be implemented). Members can refer to their statement to check if they are a Division A or Division B DBD member.

Assuming salary increases of 3.5% per annum, Salvatore's salary levels for five years up to 1 January 2025 are outlined in the table below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Salvatore's Benefit Salary is calculated by adjusting his last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the five year period of $70,020. This is illustrated in the table below:

YEAR	SALVATORE'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	SALVATORE'S SALARY ADJUSTED FOR CPI INCREASES
2023	$65,840	$69,511
2024	$68,145	$70,019
2025	$70,530	$70,530
	Average Indexed Salary over three years (Benefit Salary)	$70,020

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits Salvatore accrues after 1 January 2015. His Benefit Salary for that part of the benefit will simply be an average of his last five salaries without any adjustment for CPI, giving him a Benefit Salary for service after 1 January 2015 of $65,918. This is illustrated in the table below:

YEAR	SALVATORE'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2021	$61,463
2022	$63,614
2023	$65,840
2024	$68,145
2025	$70,530
Average Salary over five years (Benefit Salary)	**$65,918**

Important: this change will not affect the benefit Salvatore has accrued to the date of implementation (or how that part of his benefit grows in the future) – that is, there will be no impact on Salvatore's benefit as at 1 January 2015. But from that date, the benefit he accrues will be calculated differently.

This example shows the impact this change to Benefit Salary might have on Salvatore's defined resignation benefit over time.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for Salvatore showing his resignation benefit as at 1 January 2025, 10 years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

	BENEFIT SALARY	BENEFIT SERVICE (YEARS)	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2025
Benefit in respect of Benefit Service prior to 1 January 2015	$70,020 (based on current Benefit Salary calculation)	10 (service to 1 January 2015)	19.0%	100%	100%	$133,038
PLUS						
Benefit in respect of Benefit Service since 1 January 2015	$65,918 (based on changed Benefit Salary calculation)	10 (service from 1 January 2015)	19.0%	100%	100%	$125,245
					Total	**$258,283**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2015 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows Salvatore's defined benefit as at 1 January 2025 if the changes to Benefit Salary were not made:

BENEFIT SALARY	BENEFIT SERVICE (YEARS) AT 1 JANUARY 2025	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2025
$70,020	20	19.0%	100%	100%	$266,076

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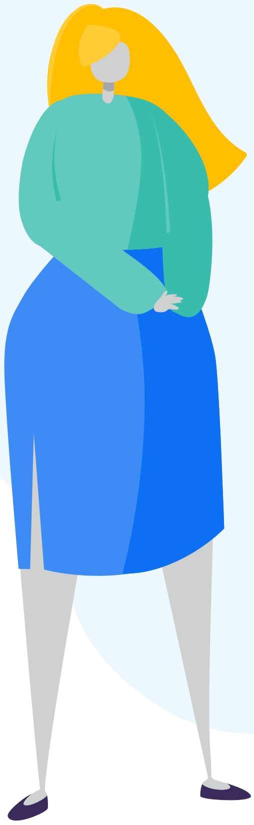
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Salvatore has no break in service or change in member contribution rate or service fraction between now and the projection date.
- The impact on Salvatore's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in his defined benefit would not depend on his length of service at the implementation date, the percentage reduction in his overall defined benefit would be lower/greater if he had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- To the extent that information in this example is inconsistent with the UniSuper Trust Deed and Regulations (together with the Trust Deed) or the Trustee's Clause 34 resolutions, the Trust Deed and resolutions will prevail.

Example six: Mary



This example focuses on Mary. Mary is aged 40, has 20 years of service in the DBD as a Division B member and has a salary of $100,000 on 1 January 2015 (the date that the Clause 34 change will be implemented). Members can refer to their statement to check if they are a Division A or Division B DBD member.

Assuming salary increases of 3.5% per annum, Mary's salary levels for five years up to 1 January 2035 are outlined in the tables below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Mary's Benefit Salary is calculated by adjusting her last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three year period of $197,540. This is illustrated in the table below:

YEAR	MARY'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	MARY'S SALARY ADJUSTED FOR CPI INCREASES
2033	$185,749	$196,106
2034	$192,250	$197,537
2035	$198,979	$198,979
	Average Indexed Salary over three years (Benefit Salary)	$197,540

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits Mary accrues after 1 January 2015. Her Benefit Salary for that part of the benefit will simply be an average of her last five salaries without any adjustment for CPI, giving her a Benefit Salary for service after 1 January 2015 of $185,969. This is illustrated in the table below:

YEAR	MARY'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2031	$173,399
2032	$179,468
2033	$185,749
2034	$192,250
2035	$198,979
Average Salary over five years (Benefit Salary)	**$185,969**

Important: this change will not affect the benefit Mary has accrued to the date of implementation (or how that part of her benefit grows in the future) – that is, there will be no impact on Mary's benefit as at 1 January 2015. But from that date, the benefit she accrues will be calculated differently.

This example shows the impact this change to Benefit Salary might have on Mary's defined resignation benefit over time. It assumes that Mary joined the DBD as a Division A member and chose to receive a Division B retirement benefit.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for Mary showing her defined resignation benefit as at 1 January 2035, 20 years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

	BENEFIT SALARY	BENEFIT SERVICE (YEARS)	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2035
Benefit in respect of Benefit Service prior to 1 January 2015	$197,540 (based on current Benefit Salary calculation)	20 (service to 1 January 2015)	22.0%	100%	100%	$869,178
PLUS						
Benefit in respect of Benefit Service since 1 January 2015	$185,969 (based on changed Benefit Salary calculation)	20 (service from 1 January 2015)	22.0%	100%	100%	$818,263
					Total	**$1,687,441**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2035 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows Mary's defined benefit as at 1 January 2035 if the changes to Benefit Salary were not made:

BENEFIT SALARY	BENEFIT SERVICE (YEARS) AT 1 JANUARY 2035	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT W1 JANUARY 2035
$197,540	40	22.0%	100%	100%	$1,738,356

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- The figures shown do not represent any specific member but are based on sample membership data.
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Mary has no break in service or change in member contribution rate or service fraction between now and the projection date.
- The impact on Mary's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in her defined benefit would not depend on her length of service at the implementation date, the percentage reduction in her overall defined benefit would be lower/greater if she had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- Supplementary benefits are not affected by Clause 34 as per the Trust Deed and therefore have been omitted in this example.
- Under the rules of the scheme, Mary could choose to receive a Division B lump sum or pension benefit upon retirement. This example illustrates the effect of the Clause 34 changes on the Division B lump sum benefit. Please refer to other examples on the website to see how other benefits are affected.

Example seven: Paul

This example focuses on Paul. Paul is aged 45, has 25 years of service in the DBD as a Division B member and has a salary of $60,000 on 1 January 2015 (the date that the Clause 34 change will be implemented). Members can refer to their statement to check if they are a Division A or Division B DBD member.

Assuming salary increases of 3.5% per annum, Paul's salary levels for five years up to 1 January 2030 are outlined in the tables below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Paul's Benefit Salary is calculated by adjusting his last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three year period of $99,794. This is illustrated in the table below:

YEAR	PAUL'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	PAUL'S SALARY ADJUSTED FOR CPI INCREASES
2028	$93,837	$99,069
2029	$97,122	$99,793
2030	$100,521	$100,521
	Average Indexed Salary over three years (Benefit Salary)	$99,794

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits Paul accrues after 1 January 2015. His Benefit Salary for that part of the benefit will simply be an average of his last five salaries without any adjustment for CPI, giving him a Benefit Salary for service after 1 January 2015 of $93,948. This is illustrated in the table below:

YEAR	PAUL'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2026	$87,598
2027	$90,664
2028	$93,837
2029	$97,122
2030	$100,521
Average Salary over five years (Benefit Salary)	**$93,948**

Important: this change will not affect the benefit Paul has accrued to the date of implementation (or how that part of his benefit grows in the future) – that is, there will be no impact on Paul's benefit as at 1 January 2015. But from that date, the benefit he accrues will be calculated differently.

This example shows the impact this change to Benefit Salary might have on Paul's defined resignation benefit over time. It assumes that Paul joined the DBD as a Division A member and chose to receive a Division B retirement benefit.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for Paul showing his defined resignation benefit as at 1 January 2030, 15 years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

	BENEFIT SALARY	BENEFIT SERVICE (YEARS)	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2035
Benefit in respect of Benefit Service prior to 1 January 2015	$99,794 (based on current Benefit Salary calculation)	25 (service to 1 January 2015)	22.0%	100%	100%	$548,869
PLUS						
Benefit in respect of Benefit Service since 1 January 2015	$93,948 (based on changed Benefit Salary calculation)	15 (service from 1 January 2015)	22.0%	100%	100%	$310,030
					Total	**$858,899**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2030 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows Paul's defined benefit as at 1 January 2030 if the changes to Benefit Salary were not made:

BENEFIT SALARY	BENEFIT SERVICE (YEARS) AT 1 JANUARY 2035	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT W1 JANUARY 2035
$99,794	40	22.0%	100%	100%	$878,190

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- The figures shown do not represent any specific member but are based on sample membership data.
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Paul as no break in service or change in member contribution rate or service fraction between now and the projection date.
- The impact on Paul overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in his defined benefit would not depend on his length of service at the implementation date, the percentage reduction in his overall defined benefit would be lower/greater if he had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- Supplementary benefits are not affected by Clause 34 as per the Trust Deed and therefore have been omitted in this example.
- Under the rules of the scheme, Paul could choose to receive a Division A or Division B benefit upon retirement. This example illustrates the effect of the Clause 34 changes on the Division B lump sum benefit. Please refer to other examples on the website to see how other benefits are affected.

Example eight: Simon (Division A pension)

This example focuses on Simon. Simon is aged 55, has 30 years of service in the DBD and has a salary of $125,000 on 1 January 2015 (the date that the Clause 34 change will be implemented).

Assuming salary increases of 3.5% per annum, Simon's salary levels for five years up to 1 January 2025 are outlined in the table below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

ACCRUED PERCENTAGE

Please note that Division A pensions are calculated using an accrued percentage. This is calculated as the sum of:

(a) in relation to the first twenty years of a Member's Service, 2.1% of the sum of all such periods of Service multiplied by their relevant Service Fractions;

and

(b) in relation to periods of Service in excess of twenty years, 1.1% of the sum of all such periods of Service multiplied by their relevant Service Fractions.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Simon's Benefit Salary is calculated by adjusting his last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three year period of $175,050. This is illustrated in the table below:

YEAR	SIMON'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	SIMON'S SALARY ADJUSTED FOR CPI INCREASES
2023	$164,601	$173,779
2024	$170,362	$175,047
2025	$176,325	$176,325
	Average Indexed Salary over three years (Benefit Salary)	$175,050

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits Simon accrues after 1 January 2015. His Benefit Salary for that part of the benefit will simply be an average of his last five salaries without any adjustment for CPI, giving him a Benefit Salary for service after 1 January 2015 of $164,796. This is illustrated in the table below:

YEAR	SIMON'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2021	$153,657
2022	$159,035
2023	$164,601
2024	$170,362
2025	$176,325
Average Salary over five years (Benefit Salary)	**$164,796**

Important: this change will not affect the benefit Simon has accrued to the date of implementation (or how that part of his benefit grows in the future) – that is, there will be no impact on Simon's benefit as at 1 January 2015. But from that date, the benefit he accrues will be calculated differently.

This example shows the impact this change to Benefit Salary might have on Simon's defined retirement pension benefit over time. It assumes that Simon is a DBD member and chooses to receive a Division A pension benefit on 1 January 2025.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for Simon showing his retirement pension benefit as at 1 January 2025, 10 years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

	BENEFIT SALARY	ACCRUED PERCENTAGE	AVERAGE CONTRIBUTION FACTOR	DEFINED PENSION BENEFIT AS AT 1 JANUARY 2025
Benefit in respect of Benefit Service prior to 1 January 2015	$175,050 (based on current Benefit Salary calculation)	53.00%	100%	$92,777 p.a.
PLUS				
Benefit in respect of Benefit Service since 1 January 2015	$164,796 (based on changed Benefit Salary calculation)	11.00%	100%	$18,128 p.a.
			Total	**$110,904 p.a.**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2015 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows Simon's defined benefit pension as at 1 January 2025 if the changes to Benefit Salary were not made:

	BENEFIT SALARY	ACCRUED PERCENTAGE	AVERAGE CONTRIBUTION FACTOR	DEFINED PENSION BENEFIT AS AT 1 JANUARY 2025
Basic Benefit	$175,050	64%	100%	$112,032 p.a.

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- The figures shown do not represent any specific member but are based on sample membership data.
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Simon has no break in service or change in member contribution or service fraction between now and the projection date.
- The impact on Simon's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in his defined benefit would not depend on his length of service at the implementation date, the percentage reduction in his overall defined benefit would be lower/greater if he had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- Any Supplementary benefits that may be payable are not affected by Clause 34 as per the Trust Deed and therefore have been omitted in this example.
- To the extent that information in this example is inconsistent with the UniSuper Trust Deed and Regulations (together with the Trust Deed) or the Trustee's Clause 34 resolutions, the Trust Deed and resolutions will prevail.
- If Simon elected to retire on a Division A pension prior to age 65, his benefit would be reduced accordingly, as per the rules in the Trust Deed.
- Under the rules of the scheme, Simon could choose to receive a Division A or Division B benefit upon retirement. This example illustrates the effect of the Clause 34 changes on the Division A pension benefit. Please refer to the other examples on the website to see how Division B benefits are affected.

Example nine: Hannah (Division B Lump Sum)

This example focuses on Hannah. Hannah is aged 55, has 25 years of service in the DBD and has a salary of $120,000 on 1 January 2015 (the date that the Clause 34 change will be implemented). Hannah intends to retire on 1 January 2017.

Assuming salary increases of 3.5% per annum, Hannah's salary levels for five years up to 1 January 2017 (2 years after the Clause 34 change) are outlined in the tables below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Hannah's Benefit Salary is calculated by adjusting her last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three year period of $127,618. This is illustrated in the table below:

YEAR	HANNAH'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	HANNAH'S SALARY ADJUSTED FOR CPI INCREASES
2015	$120,000	$126,691
2016	$124,200	$127,616
2017	$128,547	$128,547
	Average Indexed Salary over three years (Benefit Salary)	$127,618

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits Hannah accrues after 1 January 2015. Her Benefit Salary for that part of the benefit will simply be an average of her last five salaries without any adjustment for CPI, giving her a Benefit Salary for service after 1 January 2015 of $120,142. This is illustrated in the table below:

YEAR	HANNAH'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2013	$112,021
2014	$115,942
2015	$120,000
2016	$124,200
2017	$128,547
Average Salary over five years (Benefit Salary)	**$120,142**

Important: this change will not affect the benefit Hannah has accrued to the date of implementation (or how that part of her benefit grows in the future) – that is, there will be no impact on her benefit as at 1 January 2015. But from that date, the benefit she accrues will be calculated differently.

The example below shows the impact this change to Benefit Salary might have on Hannah's defined resignation benefit over time. It assumes that Hannah is a DBD member who chooses to receive a Division B Lump Sum benefit on 1 January 2017.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for Hannah showing her defined resignation benefit as at 1 January 2017, 2 years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

	BENEFIT SALARY	BENEFIT SERVICE (YEARS)	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2035
Benefit in respect of Benefit Service prior to 1 January 2015	$127,618 (based on current Benefit Salary calculation)	25 (service to 1 January 2015)	21.4%	100%	100%	$682,756
PLUS						
Benefit in respect of Benefit Service since 1 January 2015	$120,142 (based on changed Benefit Salary calculation)	2 (service from 1 January 2015)	21.4%	100%	100%	$51,421
					Total	**$734,177**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2015 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows Hannah's defined benefit as at 1 January 2017 if the changes to Benefit Salary were not made:

BENEFIT SALARY	BENEFIT SERVICE (YEARS) AT 1 JAN 2017	LUMP SUM FACTOR	AVERAGE SERVICE FRACTION	AVERAGE CONTRIBUTION FACTOR	DEFINED RESIGNATION BENEFIT AS AT 1 JANUARY 2017
$127,618	27	21.4%	100%	100%	$737,377

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- The figures shown do not represent any specific member but are based on sample membership data.
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Hannah has no break in service or change in member contribution rate or service fraction between now and the projection date.
- The impact on Hannah's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in her defined benefit would not depend on her length of service at the implementation date, the percentage reduction in her overall defined benefit would be lower / greater if she had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.

Example ten: Frank (Division A Pension)

This example focuses on Frank. Frank is aged 63, has 28 years of service in the DBD and has a salary of $140,000 on 1 January 2015 (the date that the Clause 34 change will be implemented). Frank intends to retire on 1 January 2017.

Assuming salary increases of 3.5% per annum, Frank's salary levels for five years up to 1 January 2017 are outlined in the tables below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Frank's Benefit Salary is calculated by adjusting his last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three-year period of $148,887. This is illustrated in the table below:

YEAR	FRANK'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	FRANK'S SALARY ADJUSTED FOR CPI INCREASES
2015	$140,000	$147,806
2016	$144,900	$148,885
2017	$149,972	$149,972
	Average Indexed Salary over three years (Benefit Salary)	$148,887

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a different Benefit Salary will apply to the benefits Frank accrues after 1 January 2015. His Benefit Salary for that part of the benefit will simply be an average of his last five salaries without any adjustment for CPI, giving him a Benefit Salary for service after 1 January 2015 of $140,166. This is illustrated in the table below:

YEAR	FRANK'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2013	$130,691
2014	$135,266
2015	$140,000
2016	$144,900
2017	$149,972
Average Salary over five years (Benefit Salary)	**$140,166**

Important: this change will not affect the benefit Frank has accrued to the date of implementation (or how that part of his benefit grows in the future) – that is, there will be no impact on Frank's benefit as at 1 January 2015. But from that date, the benefit he accrues will be calculated differently.

This example shows the impact this change to Benefit Salary might have on Frank's defined retirement pension benefit over time. It assumes that Frank is a DBD member who joined prior to 1990 and chooses to receive a Division A pension benefit on 1 January 2017.

AFTER THE CHANGE IS MADE:

An example of how this change to Benefit Salary would work in practice is illustrated in this sample projection for Frank showing his retirement pension benefit as at 1 January 2017, 2 years after the change is implemented. The shaded boxes show the parts affected by the change to Benefit Salary.

Please note that Division A pensions are calculated using an accrued percentage. This is calculated as the sum of:

(a) in relation to the first twenty years of a Member's Service, 2.1% of the sum of all such periods of Service multiplied by their relevant Service Fractions;

and

(b) in relation to periods of Service in excess of twenty years, 1.1% of the sum of all such periods of Service multiplied by their relevant Service Fractions.

	BENEFIT SALARY	ACCRUED PERCENTAGE	AVERAGE CONTRIBUTION FACTOR	DEFINED PENSION BENEFIT AS AT 1 JANUARY 2017
Benefit in respect of Benefit Service prior to 1 January 2015	$148,887 (based on current Benefit Salary calculation)	50.80%	100%	$75,635 p.a.
PLUS				
Benefit in respect of Benefit Service since 1 January 2015	$140,166 (based on changed Benefit Salary calculation)	2.20%	100%	$3,084 p.a.
			Total	**$78,719 p.a.**

So, it is only the benefit component in respect of Benefit Service since 1 January 2015 that is affected by the change. The benefit component in respect of Benefit Service prior to 1 January 2015 continues to be calculated using the Benefit Salary calculation that currently applies.

IF THE CHANGE WASN'T MADE:

As a point of comparison, this sample projection shows Frank's defined benefit pension as at 1 January 2017 if the changes to Benefit Salary were not made:

	BENEFIT SALARY	ACCRUED PERCENTAGE	AVERAGE CONTRIBUTION FACTOR	DEFINED PENSION BENEFIT AS AT 1 JANUARY 2017
Basic Benefit	$148,887	53.00%	100%	$78,910 p.a.

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- The figures shown do not represent any specific member but are based on sample membership data.
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Frank has no break in service or change in member contribution or service fraction between now and the projection date.
- The impact on Frank's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in his defined benefit would not depend on his length of service at the implementation date, the percentage reduction in his overall defined benefit would be lower/greater if he had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- Any Supplementary benefits that may be payable are not affected by Clause 34 as per the Trust Deed and therefore have been omitted in this example.
- To the extent that information in this example is inconsistent with the UniSuper Trust Deed and Regulations (together with the Trust Deed) or the Trustee's Clause 34 resolutions, the Trust Deed and resolutions will prevail.
- If Frank elected to retire on a Division A pension prior to age 65, his benefit would be reduced accordingly, as per the rules in the Trust Deed.
- Under the rules of the scheme, Frank could choose to receive a Division A or Division B benefit upon retirement. This example illustrates the effect of the Clause 34 changes on the Division A pension benefit. Please refer to the other examples on the website to see how Division B benefits are affected.

How the change affects your super and inbuilt benefits

YOUR SUPER BALANCE

The change to the Benefit Salary component of the DBD formula affects how your defined benefit accrues from 1 January 2015.

Potential impact of the change on inbuilt benefits

Inbuild benefits that are calculated by reference to Benefit Salary may also be affected by the change.

These benefits include Death, Disablement, and Temporary Incapacity.

THE FOLLOWING EXAMPLES OUTLINE HOW THE CHANGE MAY IMPACT INBUILT BENEFITS	
Charles Page 23 See example	The effect on a Death benefit payable after 1 January 2015
Joanna Page 26 See example	The effect on a Temporary Incapacity (TI) benefit claimed after 1 January 2015
Alison Page 28 See example	The effect on a Disablement benefit payable after 1 January 2015

Example eleven: Charles (Effect on Death Benefit)

This page explains the Clause 34 change in the event a Death benefit is payable after 1 January 2015 as the change only affects Death benefits payable after 1 January 2015.

Currently, the Defined Benefit Division's (DBD) Death benefit for Division B members is calculated as:

Greater of

a. A lump Sum amount calculated as

Benefit Salary x Benefit Service (to age 60) x 21% x ASF

and

b. Your Lump Sum retirement benefit

Plus

If the member is under 60 at the time of their death an additional amount is calculated as follows:

Benefit Salary x Potential Service (from date of death to age 60) x 21% x GF

(If a member has elected contribution flexibility, then part a. will equal $0)

From 1 January 2015 the benefit will be calculated using an Apportioned Benefit Salary.

APPORTIONED BENEFIT SALARY

The Apportioned Benefit Salary is a weighted average of members' three year Benefit Salary and five year Benefit Salary based on their pre- and post-1 January 2015 DBD membership. i.e.:

Apportioned Benefit Salary = (three year Benefit Salary x (Pre 1 Jan 2015 DBD membership / Total DBD membership)) + (five year Benefit Salary x (Post 1 Jan 2015 DBD membership / Total DBD membership))

Example of a Division B Death benefit payable on 1 January 2025

Our example focuses on Charles. Charles is aged 44, has seven years of service in the DBD as a Division B member and has a salary of $90,000 on 1 January 2015 (the date that the Clause 34 change is scheduled to be implemented). Members can refer to their statement to check if they are a Division A or Division B DBD member,

Assuming salary increases of 3.5% per annum, Charles' salary levels for five continuous years up to 1 January 2025 are outlined in the table below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Charles' Benefit Salary is calculated by adjusting his last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three-year period of $126,036. This is illustrated in the table below:

YEAR	CHARLES' ACTUAL SALARY FOR SUPERANNUATION PURPOSES	CHARLES' SALARY ADJUSTED FOR CPI INCREASES
2023	$118,513	$125,121
2024	$122,661	$126,034
2025	$126,954	$126,954
	Average Indexed Salary over three years	**$126,036**

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a new Benefit Salary will also be calculated, being the average of his last five salaries without adjustment for CPI. This is illustrated in the table below and is equal to $118,653.

An apportioned benefit salary, i.e. the weighted average of his "three year" Benefit Salary and his "five year" Benefit Salary, is then used to calculate his Death benefit. This is illustrated in the table below:

YEAR	CHARLES' ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2021	$110,633
2022	$114,505
2023	$118,513
2024	$122,661
2025	$126,954
Average Salary over five years (Benefit Salary)	**$118,653**

APPORTIONED BENEFIT SALARY AT 1 JANUARY 2025

Apportioned benefit salary at 1 January 2025 is calculated as follows:

($126,036 x (7 / 17)) + ($118,653 x (10/17)) = $121,693

CHARLES' DEATH BENEFIT ENTITLEMENT

If Charles' died in service on 1 January 2025, his death benefit would be calculated as follows:

Greater of

a. A lump Sum amount calculated as

Apportioned Benefit Salary x Benefit Service to age 60 x 21% x ASF

and

b. Your Lump Sum retirement benefit

Plus

If the member is under age 60 at the time of death, an additional amount calculated as follows:

Apportioned Benefit Salary x Potential Service (from date of death to age 60) x 21% x GF

(If a member has elected contribution flexibility, then part a. will equal $0)

Therefore the death benefit that Charles' dependant/legal personal representative will be entitled to claim is:

Greater of

a. A lump Sum amount calculated as

$ 121,693 x (17 + 6) x 21% x 100% = $ 587,777

and

b. Your Lump Sum retirement benefit = $ 430,306

Plus

$ 121,693 x 6 x 21% x 100% = $ 153,333 = $ 583,639

So Charles' Death Benefit at 1 January 2025 is therefore $587,777

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- The figures shown do not represent any specific member but are based on sample membership data.
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Charles has no break in service or change in member contribution rate or service fraction between now and the projection date.
- The impact on Charles' overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in his defined benefit would not depend on his length of service at the implementation date, the percentage reduction in his overall defined benefit would be lower/greater if he had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- To the extent that information in this example is inconsistent with the UniSuper Trust Deed and Regulations (together with the Trust Deed) or the Trustee's Clause 34 resolutions, the Trust Deed and resolutions will prevail.

Example twelve: Joanna (Effect on temporary incapacity (TI) Benefit)

This page explains the Clause 34 change in the event a Temporary Incapacity (TI) benefit is claimed after 1 January 2015.

Currently, the Defined Benefit Division's (DBD) Temporary Incapacity benefit for a Division B member is calculated as:

Benefit Salary x 60% x ASF

Temporary Incapacity benefits claimed after 1 January 2015 will be affected by the Clause 34 change and will be calculated using an Apportioned Benefit Salary.

The Apportioned Benefit Salary at the date of Temporary Incapacity is then indexed with CPI and used to calculate any subsequent death, disablement or retirement benefits that occur within or directly after the TI period.

Please note:

The Clause 34 change won't affect Temporary Incapacity (TI) pensions in payment at 1 January 2015. These pension payments will continue to increase each year in line with CPI.

If your current TI condition changes to a Disablement one, then your Disablement benefit will not be affected either.

If you cease to be eligible for a Temporary Incapacity or Disablement benefit after 1 January 2015 any future benefit you may be entitled to receive may be affected by the Board's decision, as described below.

APPORTIONED BENEFIT SALARY

The Apportioned Benefit Salary is a weighted average of members' three-year Benefit Salary and five year Benefit Salary based on their pre- and post-1 January 2015 benefit service. i.e.:

Apportioned Benefit Salary = (three-year Benefit Salary x (Pre 1 Jan 2015 service / Total service)) + (five year Benefit Salary x (Post 1 Jan 2015 service / Total service))

Example of a Division B Temporary Incapacity benefit payable on 1 January 2025

Our example focuses on Joanna. Joanna is aged 44, has seven years of service in the DBD and has a salary of $90,000 on 1 January 2015 (the date that the Clause 34 change is scheduled to be implemented).

Assuming salary increases of 3.5% per annum, Joanna's salary levels for five continuous years up to 1 January 2025 are outlined in the table below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Joanna's Benefit Salary is calculated by adjusting her last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three year period of $126,036. This is illustrated in the table below:

YEAR	JOANNA'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	JOANNA'S SALARY ADJUSTED FOR CPI INCREASES
2023	$118,513	$125,121
2024	$122,661	$126,034
2025	$126,954	$126,954
Average Indexed Salary over three years (Benefit Salary)		**$126,036**

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a new Benefit Salary will also be calculated, being the average of her last five salaries without adjustment for CPI. This is illustrated in the table below and is equal to $118,653.

An apportioned benefit salary, i.e. the weighted average of her "three year" Benefit Salary and his "five year" Benefit Salary, is then used to calculate her Temporary Incapacity benefit. This is illustrated in the table below:

YEAR	JOANNA'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2021	$110,633
2022	$114,505
2023	$118,513
2024	$122,661
2025	$126,954
Average Salary over five years (Benefit Salary)	**$118,653**

APPORTIONED BENEFIT SALARY AT 1 JANUARY 2025

Apportioned benefit salary at 1 January 2025 is calculated as follows:

($126,036 x (7 / 17)) + ($118,653 x (10/17)) = $121,693

JOANNA'S TEMPORARY INCAPACITY BENEFIT ENTITLEMENT

If Joanna became entitled to a Temporary Incapacity benefit as at 1 January 2025, it would be calculated as follows:

Apportioned Benefit Salary x 60% x ASF

Therefore the annual Temporary Incapacity benefit that Joanna is entitled to claim at 1 January 2025 is:

$121,693 x 60% x 100% = $73,016 p.a.

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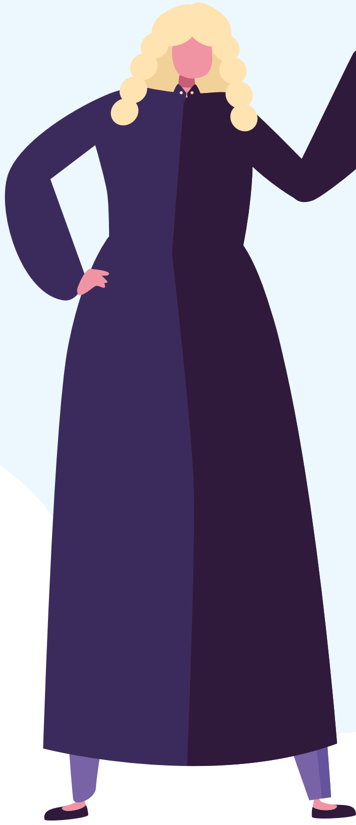
- The figures shown do not represent any specific member but are based on sample membership data.
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Joanna has no break in service or change in member contribution rate of service fraction between now and the projection date.
- The impact on Joanna's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in her defined benefit would not depend on her length of service at the implementation date, the percentage reduction in her overall defined benefit would be lower/greater if she had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- To the extent that information in this example is inconsistent with the UniSuper Trust Deed and Regulations (together with the Trust Deed) or the Trustee's Clause 34 resolutions, the Trust Deed and resolutions will prevail.

Example thirteen: Alison (Effect on Disablement Benefit)



This page explains the Clause 34 change in the event a Disablement benefit is payable after 1 January 2015.

Currently, the Defined Benefit Division's (DBD) Disablement benefit for a Division B member is calculated as:

Benefit Salary x 60% x ASF

Disablement benefits claimed after 1 January 2015 will be affected by the Clause 34 change and will be calculated using an Apportioned Benefit Salary.

The apportioned benefit salary at the date of Disablement is then indexed with CPI and used to calculate any subsequent death or retirement benefits (unless you cease to be disabled and return to employment).

Please note:
The Clause 34 change won't affect Disablement benefits in payment at 1 January 2015. Similarly, if you are in receipt of a Disablement benefit your retirement benefit at 65 won't be affected (unless you cease to become disabled and return to employment).

APPORTIONED BENEFIT SALARY

The Apportioned Benefit Salary is a weighted average of a member's three-year Benefit Salary and five-year Benefit Salary based on their pre- and post-1 January 2015 benefit service. i.e.:

Apportioned Benefit Salary = (three-year Benefit Salary x (Pre 1 Jan 2015 service / Total service)) + (five-year Benefit Salary x (Post 1 Jan 2015 service / Total service))

Example of a Division B Temporary Incapacity benefit payable on 1 January 2025

Our example focuses on Alison. Alison is aged 44, has seven years of service in the DBD as a Division B member and has a salary of $90,000 on 1 January 2015 (the date that the Clause 34 change is scheduled to be implemented). Members can refer to their statement to check if they are a Division A or Division B DBD member,

Assuming salary increases of 3.5% per annum, Alison's salary levels for five continuous years up to 1 January 2025 are outlined in the table below. Let's say the Consumer Price Index (CPI) increases by 2.75%* each year.

BEFORE THE CHANGE

Prior to the change to be adopted under Clause 34, Alison's Benefit Salary is calculated by adjusting her last three salaries by CPI and averaging the three results, giving a Benefit Salary at the end of the three year period of $126,036. This is illustrated in the table below:

YEAR	ALISON'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES	ALISON'S SALARY ADJUSTED FOR CPI INCREASES
2023	$118,513	$125,121
2024	$122,661	$126,034
2025	$126,954	$126,954
	Average Indexed Salary over three years	**$126,036**

* Please note that CPI estimates have been made for illustrative purposes only.

AFTER THE CHANGE

After this Clause 34 change comes into effect, a new Benefit Salary will also be calculated, being the average of her last five salaries without adjustment for CPI. This is illustrated in the table below and is equal to $118,653.

An apportioned benefit salary, i.e. the weighted average of her three year Benefit Salary and her five year Benefit Salary, is then used to calculate her Disablement benefit. This is illustrated in the table below:

YEAR	ALISON'S ACTUAL SALARY FOR SUPERANNUATION PURPOSES
2021	$110,633
2022	$114,505
2023	$118,513
2024	$122,661
2025	$126,954
Average Salary over five years (Benefit Salary)	**$118,653**

APPORTIONED BENEFIT SALARY AT 1 JANUARY 2025

Apportioned benefit salary at 1 January 2025 is calculated as follows:

($126,036 x (7 / 17)) + ($118,653 x (10/17)) = $121,693

ALISON'S DISABLEMENT BENEFIT ENTITLEMENT

If Alison became entitled to a Disablement benefit as at 1 January 2025, it would be calculated as follows:

Apportioned Benefit Salary x 60% x ASF

Therefore the annual Disablement benefit that Alison is entitled to claim at 1 January 2025, is:

$121,693 x 60% x 100% = $73,016 p.a.

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- The figures shown do not represent any specific member but are based on sample membership data.
- The projected benefits are based on assumed salary increases of 3.5% p.a, price inflation of 2.75% p.a, and assuming that Alison has no break in service or change in member contribution rate or service fraction between now and the projection date.
- The impact on Alison's overall defined benefit would be less/more significant if a shorter/longer projection period were considered.
- Whilst the dollar reduction in her defined benefit would not depend on her length of service at the implementation date, the percentage reduction in her overall defined benefit would be lower/greater if she had a larger/smaller length of service at the implementation date.
- In the unlikely event that this change results in an increase in your Benefit Salary, your Benefit Salary would be calculated using the three-year Benefit Salary definition.
- To the extent that information in this example is inconsistent with the UniSuper Trust Deed and Regulations (together with the Trust Deed) or the Trustee's Clause 34 resolutions, the Trust Deed and resolutions will prevail.
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