Manildra Flour Mills Retirement Fund

ACCUMULATION MEMBER GUIDE

Part One—Your Benefits

Document issued 9 December 2021 by the Trustee of the Fund: Manildra Flour Mills Retirement Fund Pty Limited (ABN 74 065 680 195, AFSL 530609)

The information in this document forms part of the Product Disclosure Statement for the Manildra Flour Mills Retirement Fund issued on 9 December 2021.

CONTENTS

HOW TO CONTACT THE FUND

If you have a general inquiry or complaint, contact:

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IMPORTANT INFORMATION ABOUT THIS DOCUMENT

This Member Guide contains general factual information only and has been prepared without taking into account your individual objectives, financial situation or needs. Before acting on the contents of this document, you should consider whether it is appropriate to you, having regard to your objectives, financial situation and needs.

You should obtain advice from a licensed financial adviser before making any decisions about your superannuation. Neither the Trustee nor your Employer is licensed to provide you with any financial advice.

This Member Guide was prepared by Manildra Flour Mills Retirement Fund Pty Limited (ABN 74 065 680 195, AFSL 530609), the Trustee of the Manildra Flour Mills Retirement Fund (ABN 32 448 411 930) ("the Fund").

It is provided in two parts:

- Part One—Your Benefits; and
- Part Two—Fund Information and Investment Guide.

This document is Part One of the Member Guide. It provides detailed information about benefits provided to members of the Fund.

The information in the Member Guide forms part of the Product Disclosure Statement (PDS) for the Manildra Flour Mills Retirement Fund issued on 9 December 2021.

A separate PDS is available for Fund Pensions.

If you request further information, the Trustee of the Fund will provide all information that it reasonably believes you require to make an informed assessment of the management and financial condition of the Fund and the investment performance of the Fund.

Access to Current Information

The information in this Member Guide is correct at the time of publication. If there should be any materially adverse changes in the future or if any materially adverse omission is discovered in this Member Guide, the Trustee will advise you in writing. Other information in the Member Guide (e.g. investment returns) will change from time to time and the Member Guide will be replaced from time to time. A printed copy of the latest Member Guide and any published updated information may be obtained free of charge on request by contacting the Fund Secretary (see contact details on this page).

WELCOME

Welcome to the Fund.

It is important that you understand the options available to you in the Fund. When you retire, your superannuation payout may be your major source of income.

The Fund is a Choice fund (as opposed to a MySuper fund) under the Government's Stronger Super changes to the superannuation system. This means that you must actively choose to join the Fund before your employer can pay your compulsory superannuation contributions to the Fund. If you require more information on this, please contact your payroll officer.

The Fund provides you with three main benefits:

- a withdrawal benefit (based on your contributions and investment earnings) when you retire or leave the Fund;
- a death and permanent disablement benefit (supported by life insurance) to support you and your family if you die or are totally and permanently disabled; and
- an income protection benefit (supported by income protection insurance) to replace your lost income if you are temporarily unable to work due to temporary illness or injury.

This Member Guide provides more details on each of these benefits, including eligibility terms and other conditions applying to the insured benefits.

The Manildra Group currently meets the cost of death and permanent disablement (TPD) insurance premiums. The Manildra Group reserves the right to change this in the future. You would be advised in advance of such a change.

Insurance premiums for income protection insurance cover and any additional voluntary death/TPD insurance cover you obtain in the Fund are paid from your account.

Currently, the Manildra Group also meets all expenses of running the Fund, other than investment fees.

While this Member Guide aims to provide you with sufficient information to understand your benefits and the environment superannuation operates in, it does not take into account your personal circumstances and investment goals. That is why you may want to consider discussing your superannuation arrangements with a licensed financial adviser.

We encourage you to read this Member Guide and the Fund's PDS and to contact the Fund Secretary if you have any questions.

See the Fund's website, http://super.manildra.com.au, for more detailed information on the Fund, including:

- the latest Product Disclosure Statements, detailed Member Guides, and Annual Report to Members;
- recent investment returns;
- information about the Fund's directors and management; and
- legal documents relating to the Fund and Trustee.
- The website also contains the forms you need to:
- apply for a pension or pre-retirement pension;
- apply for additional voluntary insurance;
- update the nominated beneficiaries for your death benefit;
- Opt-out of Income Protection Insurance or
- roll over money from another superannuation fund.

Pension Option

On retirement, the Manildra Flour Mills Retirement Fund Pension allows you to receive an account-based pension from the Fund. Prior to retirement once you have reached your preservation age, you can receive part or all of your Fund benefit as a Pre-Retirement Pension, even if you move to a different employer. This allows you to supplement your salary in the years leading up to retirement.

For more details, please read the Fund's Pension PDS, available from the Member Guide and PDS section of the Fund's website or from the Fund Secretary.

JOINING THE FUND

Most permanent employees can join the Fund. If you are eligible, you would normally join the Fund on the first day you start work with the Manildra Group. You can contact the payroll office if you want to confirm whether you are eligible to join the Fund.

If you delay joining the Fund, you may be required to provide the Fund's insurer with satisfactory evidence of health before you can receive the insured part of the death and total and permanent disablement benefit, and the income protection benefit, in the Fund (see pages 7 to 14). This will involve a written statement and could require a medical examination. Special conditions may apply to insurance in these circumstances.

> **To join the Fund**, you are required to complete an [Application for Membership Form]() and return it to the Fund Secretary (see page 2 for contact details).

Your Fund

The Fund has been established as a retirement savings facility for employees of Manildra and its related companies. It provides benefits that are funded by contributions made on your behalf by your Employer and through contributions made by you. Your death and disablement benefits are partly insured, and your income protection benefit is fully insured.

The Manildra Flour Mills Retirement Fund is a complying superannuation fund for tax purposes and therefore is concessionally taxed as are benefits paid from the Fund.

Your Fund is managed by a Trustee which is a separate entity from your Employer (see Part Two of this Member Guide for more details).

How Your Benefits Work

Benefits provided to members in the Fund are known as Accumulation Benefits (see page 7 for more details).

> ### Accumulation Benefits
> work similarly to a bank account. Contributions made to your account accumulate in your account with investment earnings.
>
> Each year your account is credited with investment earnings at the Fund's Crediting Rate (see Part Two of this Member Guide for information about the Fund's investments). *This rate can be positive or negative–it can be affected by market conditions and, thus, the value of your benefit can rise and fall.*
>
> Deductions for tax, insurance premiums and expenses, if any, are made from your account. Tax on contributions is deducted from your account in respect of salary sacrifice and employer contributions.

Your Total Account Balance

Your Total Account Balance is calculated as follows:

- Contributions (employer, personal, rollovers, etc)
- Plus
- Fund Crediting Rate (positive or negative)
- Less
- Tax, Expenses and Insurance premiums
- Equals
- Accumulation Benefit/ Total Account Balance

Your benefits depend on the investment performance of the Fund which is not guaranteed. If you leave the Fund, especially within a few years of joining, you may get back less than the amount of contributions paid depending on the level of investment returns earned by the Fund and the impact of tax.

The Trustee has taken out an insurance policy to cover part of the benefits paid should members die or become disabled while employed by the Company. All members receive standard insured death and total and permanent disablement (TPD) cover paid for by the Company. You can also apply for additional voluntary death only or death and TPD insurance cover. Insurance premiums for this voluntary insurance cover are deducted annually from your account in the Fund, as are premiums for income protection insurance cover.

Your Annual Statement, which is provided to you each year following the Fund's Annual Review as at 1 July, shows the amount you have in your account, the amount of your death and TPD Benefits, the deductions made from your account during the year and a transaction summary for the year.

Contributions

> ### Salary
> for superannuation purposes means your Ordinary Time Earnings, i.e. the salary or wage you earn for your ordinary hours of work, including over-award payments and paid leave. It does not include overtime, leave loadings or payments received whilst on parental leave.

Employer Contributions

While you are employed by Manildra and a member of the Fund, your employer contributes 10% of your Salary to the Fund. This contribution rate has applied since 1 July 2021 and is legislated to increase further in future (see the latest Annual Report for details). Contributions tax at the rate of 15% (or 30% for very high income earners—see Member Guide Part 2) is deducted from employer contributions.

Personal Contributions

You are not required to contribute to the Fund but you can choose to make additional voluntary contributions and/or roll over amounts from other superannuation funds into the Fund.

You can choose from several ways of making additional voluntary contributions to the Fund.

- ### After-Tax Contributions

You may make personal contributions from your after-tax salary within legislated limits. No tax is payable on these contributions on entering the Fund but limits apply. Please note that the Trustee has made an election for the Fund to be non-deductible and, therefore, you cannot claim a tax deduction for after-tax contributions.

- ### Salary Sacrifice Contributions

You may make personal contributions from your before tax salary. These contributions are referred to as salary sacrifice contributions. Your salary for calculating your employer contributions will remain the same regardless of whether or not you make salary sacrifice contributions.

- ### One-off Lump Sum Contributions

You can make one-off lump sum contributions to the Fund by cheque or EFT. Please note that the Trustee has made an election for the Fund to be non-deductible and, therefore, you cannot claim a tax deduction for after-tax contributions.

How to Start or Change Voluntary Member Contributions

Contact the Payroll Department if you wish to make after-tax contributions or salary sacrifice contributions or if you wish to change or cease after-tax or salary sacrifice contributions that you are currently making.

Government Co-contribution

If you make personal contributions to the Fund, you may be eligible to receive a Government co-contribution to your account in the Fund. The level of Government contribution depends on your income and the amount you contribute.

Please note that you must satisfy certain eligibility conditions to qualify for a co-contribution. For more details, contact the Australian Taxation Office Superannuation Hotline on 13 10 20 or www.ato.gov.au/super.

The maximum co-contribution for 2021/22 is $500 p.a. and is available if your annual income is up to $41,112 and you contribute $1,000 or more to the Fund, with a partial co-contribution available if your annual income is up to $56,112. Co-contribution thresholds are indexed from time to time.

Low Income Superannuation Tax Offset (LISTO)

If your adjusted taxable income is below $37,000 then you may be eligible for a LISTO contribution. The LISTO is 15% of the employer contributions paid (including any salary sacrifice contributions) subject to a maximum LISTO of $500. No action is required by you to obtain a LISTO as the Government will use information from the Fund and your tax return to determine your eligibility for a LISTO.

Contributions after age 67

Whilst you continue to work employer contributions of 10% of your Salary will continue after age 67, subject to superannuation law.

Between ages 67 and 75, personal contributions are only allowed if you are employed for at least 40 hours in any period of 30 consecutive days in the financial year to which the contribution relates.

After your 75th birthday, no personal contributions may be accepted.

Downsizing contributions

An individual may contribute up to $300,000 from the proceeds of selling their home. For full details of eligibility criteria see www.ato.gov.au/individuals/super/super-housing-measures/downsizing-contributions-into-superannuation/

Contribution limits

The Government has placed limits on the amount of superannuation contributions you can make each year without incurring high rates of additional tax.

These limits apply to your contributions to all superannuation funds, not just the Fund.

For more information you can contact the ATO Superannuation Hotline on 13 10 20 or access the ATO web-site at www.ato.gov.au/super.

Caps on employer contributions

Employer contributions to your superannuation, together with any salary sacrifice contributions, are subject to an annual cap of $27,500.

This limit is called the "concessional contributions cap" and applies to all your superannuation funds combined. If you exceed the cap, the excess contributions will be included with your taxable income and taxed at your marginal tax rate (plus the Medicare levy) plus an excess concessional contribution tax charge. However, you are able to ask the Fund to release enough money from your super account to pay the excess contributions tax. The contributions over the concessional contributions cap will count towards your non-concessional (after tax) contributions cap.

Caps on personal contributions

Personal after-tax contributions are currently subject to an annual limit of $110,000. This is called the "non-concessional contributions cap" and applies to all your superannuation funds combined.

However, from 1 July 2017, your non-concessional cap is nil for a financial year if, at the end of the previous financial year, you have a total superannuation balance greater than or equal to the general transfer balance cap.
Note: The total superannuation balance cap is $1.6 million between 1 July 2017 and 30 June 2021 and has increased to $1.7 million from 1 July 2021.

From the 2020-21 financial year if you are under 67 years old (for prior years the age restriction was 65), you may be able to make non-concessional contributions of up to three times the annual non-concessional contributions cap in a single year, that is, up to $330,000 every three years. (See the ATO website for more information about how your total superannuation balance is calculated.)

Eligibility to make ongoing contributions under this bring-forward regime is subject to certain conditions, including the value of your total superannuation balance, and individuals must be aged 66 or under on 1 July of the financial year in which contributions are made.

The Fund will not accept any contributions which are larger than the cap.

If you do exceed the cap (e.g. by making large contributions to other superannuation funds in addition to the Fund), you will personally have to pay tax on the excess contributions at a penalty rate of 45%. As an alternative you may withdraw the excess non-concessional contributions from your fund so that no penalty tax is paid.

Note that the non-concessional contributions cap also includes contributions made by your spouse to your account, some benefits transferred from overseas superannuation funds, and any contributions you make above the concessional contributions cap. The Government co-contribution does not count towards either cap.

Rollovers

The Fund allows you to roll over amounts from other superannuation funds you may have from your previous employment. The Fund does not charge any entry fees on rollovers. Your insurance cover with your previous fund may cease. Contact your previous fund for details.

➡ **To arrange the rollover of your other superannuation amounts into the Fund**, you can contact the Fund Secretary or your other superannuation funds.

Tracing Your Super

If you've moved jobs during your working life, you may have money in several superannuation funds. You may even have lost track of some of your superannuation. You can use your MyGov account to manage your superannuation and to trace some of your superannuation accounts. Go to my.gov.au to set up a MyGov account.

YOUR TOTAL ACCOUNT BALANCE

Your Total Account Balance is the sum of your accounts in the Fund. They are:

Company Accumulation Account—Your Employer contributions are deposited in this account.

Member Accumulation Account—Your Member personal contributions made from after-tax Salary or salary sacrifice and one-off lump sum contributions are deposited in this account.

Rollover Account—Your rollovers into the Fund are deposited in this account.

- **Surcharge Account**—If you have a surcharge tax liability, it accumulates in this account. The balance of the Surcharge Account is deducted from your benefits (see Part Two of the Member Guide for more information about the surcharge).

Your account is credited each year with the Fund's crediting rate. The crediting rate can be positive or negative. Deductions for tax, insurance premiums and expenses, if any, are made from the Company Accumulation Account. Tax on contributions is deducted from your Member Accumulation Account in respect of salary sacrifice contributions.

BENEFITS

WITHDRAWAL BENEFIT

When you leave your Employer for any reason other than Death or Total and Permanent Disablement benefit, you will receive a lump sum Withdrawal Benefit calculated as:

Your Total Account Balance

Investment earnings at the Fund's crediting rate are paid up to the date your benefit is paid.

DEATH AND TERMINAL ILLNESS BENEFITS

If you die at any time while you are a Member, a Death Benefit will be payable. It is paid as a lump sum to your dependant(s) or to your estate.

You may also be eligible for this benefit if you are diagnosed with a terminal illness. Once you have received a Terminal Illness Benefit, you cannot receive any further insured benefit from the Fund (except for continued payment of an Income Protection benefit which has already commenced). Contact the Fund Secretary for more details.

How is the Benefit Calculated?

If you are less than 65 years of age the Death Benefit will be calculated as follows:

Your Total Account Balance

PLUS

An Insured Benefit[1]

If You Remain Employed After 65

If you remain employed by the Company after you turn 65 years, the death benefit will be your Total Account Balance. All insurance arrangements cease when you reach age 65.

Who Receives Your Death Benefit if You Die?

The Death Benefit may provide valuable financial assistance for your dependants. The Trustee must pay your Death Benefit to your dependant(s) or to your estate.

Nomination of Beneficiaries

It is important that you keep the Trustee informed of whom you would prefer to receive the Death Benefit if you die. Although it is the Trustee who makes the final decision on who receives your benefit (in accordance with the Trust Deed), the Trustee will take into account your wishes.

You can revise your nomination at any time. You should consider doing so if your personal circumstances change (e.g. if you marry or after the birth of a child).

➡ **You nominate your beneficiaries** by completing a *Nomination of Preferred Beneficiaries Form* which is available from your Payroll Department. This information will be treated in strict confidence by the Trustee.

[1] Please refer to the section "How Death/TPD Insurance Works" on page 8 for information about the way the insured benefit is calculated and other information about the insurance provided through the Fund.

Please note that for legal reasons, the instructions on the form are not binding on the Trustee, i.e. the Trustee decides who receives your Death Benefit.

Who Can Be Nominated As a Beneficiary?

You can nominate any of your dependants:

- Your spouse (including de facto);
- Your children (including step, adopted or ex-nuptial children, but excluding any children who have been adopted by another person);
- Any person with whom you have an interdependency relationship; or
- Any other person who is fully or partly financially dependent on you.

You might want your benefit to be distributed according to your Will. In this case, you can nominate the legal personal representative of your estate as the recipient of your Death Benefit.

TOTAL AND PERMANENT DISABLEMENT BENEFIT

If you are less than 65 years of age and you become totally and permanently disabled (see definition below) while a member of the Fund and you are employed on a permanent basis, you will receive a Total and Permanent Disablement (TPD) Benefit. All insurance arrangements cease from age 65.

How is the Benefit Calculated?

The TPD Benefit is calculated as follows:

Your Total Account Balance
PLUS
An Insured Benefit (see page 9)

Once you have received the TPD Benefit, you cannot receive any further benefit from the Fund (except for continued payment of an Income Protection benefit which has already commenced).

Please refer to the section "Payment of Benefits" for information on how to claim a TPD Benefit.

Definition of Total and Permanent Disablement

To be qualified as Totally and Permanently Disabled you must satisfy one of the following conditions:

1. If you are gainfully employed and you have been totally unable to engage in any occupation, business, profession or employment because of illness or injury for a period of six consecutive months and you provide proof to the satisfaction of the Fund's insurer that you are permanently incapacitated to such an extent as to render you unlikely ever to engage in any gainful occupation, business, profession or employment for which you are reasonably suited by reason of education, training or experience; or
2. If you are gainfully employed when suffering an illness or injury and, as a result of that illness or injury, you suffer a permanent impairment of at least 25% as defined in a relevant guide to impairment approved by the insurer and you provide proof to the satisfaction of the Fund's insurer that you are disabled to such an extent that you are unlikely ever again to be able to engage in any gainful occupation, business, profession or employment for which you are reasonably suited by reason of education, training or experience; or
3. As a result of illness or injury, and you provide proof to the satisfaction of the Fund's insurer, you suffer the permanent loss of either two limbs ("limb" meaning the whole hand and/or whole foot) or you permanently lose the sight of both eyes or you suffer the permanent loss of one limb and permanently lose the sight of one eye; or
4. Through illness or injury and having provided proof to the satisfaction of the Fund's insurer you are permanently unable to perform two of the following five basic activities of everyday living without the assistance of another adult person. Generally, :
   - Bathing and/or showering;
   - Dressing and undressing;
   - Eating and drinking;
   - Using a toilet to maintain personal hygiene;
   - Getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with assistance of a walking aid; or

5. Through illness or injury and you suffer cognitive loss. This means that the insurer has determined that you have suffered a total and permanent deterioration or loss of intellectual capacity that has required you to be under continuous care and supervision by another adult person for at least six consecutive months and, at the end of that six month period you are likely to require ongoing continuous care and supervision by another adult person. You must provide proof to the satisfaction of the Fund's insurer.

If you work for less than 15 hours per week on a permanent basis immediately prior to your illness or injury then you can only qualify under conditions 2 to 5.

HOW DEATH AND TPD INSURANCE WORKS

There are two categories of insurance cover in the Fund, Category A and Category B. The Employer determines which Category you fall into. You will be advised by the payroll officer of your Category when you join the Fund.

To qualify for insurance cover you must work at least 15 hours per week on a permanent basis when you commence employment and join the Fund.

You are covered by insurance 24 hours a day, 7 days a week, not just when you are at work.

Part of your Death and TPD Benefit is provided under an insurance policy held by the trustee of the Fund. Please read this section and the section *Insurance Restrictions* for information on the conditions of the insurance cover provided in the Fund.

How is the Insured Death/TPD Benefit Calculated?

There are two parts to the Insured Benefit: a Standard Insured Benefit and a Voluntary Insured Benefit.

Standard Insured Benefit

Members automatically receive insurance cover for the Standard Insured Benefit if they join the Fund on commencing employment[2]. Insurance premiums are paid for by the Company. This insurance can help protect you and your family against the financial burdens that would arise if you die, become terminally ill, or can no longer work due to being totally and permanently disabled.

The amount of the Standard Insured Benefit paid on Death or TPD is calculated as:

$$x\% \times \textit{Salary} \times \textit{Period to Age 65}, \text{ where:}$$

x is 20% for Category A members and 15% for Category B members

Salary is calculated at the Fund's latest review date (i.e. 1 July) prior to the date of your death or disablement and

Period to Age 65 is the number of years and whole months (as part of a year) from the date of disablement or death to your 65th birthday.

> *Example*
>
> A Category A member of the Fund dies aged 44 and 5 months exactly. At 1 July immediately prior to the date of death, his salary was $80,000. The Standard Insured Benefit paid on death is:
>
> $$20\% \times \$80{,}000 \times 20\,{}^{7}\!/_{12} = \$329{,}333$$
>
> The total death benefit will be $329,333 plus the member's Total Account Balance.

Voluntary Insurance Benefit

You can also apply for additional voluntary death/TPD insurance. This means that you can increase your level of cover to meet your personal circumstances, subject to meeting the Fund's insurer's conditions.

Insurance premiums for voluntary insurance are deducted annually from your account in the Fund. They are based on your age, sex and occupation, as shown in the tables on pages 17 and 18.

You can choose the level of your additional voluntary insurance, subject to approval by the Fund's insurer.

The Voluntary Insurance Benefit is a fixed amount, with the premium changing depending on your age (see tables on pages17 and 18).

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[2] See *Insurance restrictions* on page 11 for information on your situation if you delay joining the Fund.

You can cancel, reduce or apply to increase your Voluntary Insurance Benefit at any time.

How much voluntary insurance do I need?

That depends on your personal circumstances, such as:

what debts you have (e.g. credit cards, mortgage)

what expenses you have (e.g. rent, food, school fees, clothing)

what other income and assets you have (e.g. savings, investments, partner's income)

You should think about your insurance needs carefully. If you need help, you should speak to a licensed financial adviser. Neither the Fund's trustee, nor your employer, nor the Fund's insurer nor the Fund's administrator is licensed to provide you with any financial advice.

Applying for Voluntary Insurance

How to apply

Any member can apply for additional Voluntary Death/TPD Insurance, but not additional Income Protection, by completing a form, available from the Fund Secretary (see page 2 for contact details). You will need to provide evidence of health, which may require completing a form or undergoing a medical examination.

Depending on the amount of cover you are requesting and your personal details, you may need to complete a more detailed form for the Fund's insurer or undergo a medical examination.

When the Fund's insurer has accepted your application, we will contact you to advise you that your additional insurance cover has commenced. The insurer may accept your application for voluntary insurance subject to special conditions (e.g. with an exclusion for certain pre-existing illnesses). If this happens, you can choose whether or not to proceed.

If the Fund's insurer declines your application for voluntary insurance, this will not affect your standard insurance in the Fund.

How much does it cost?

Standard Insured Benefit

Currently, insurance premiums for the Standard Insured Benefit are paid by the Company.

Voluntary Insurance Benefit

Insurance premiums for the Voluntary Insurance Benefit are deducted annually from your account in the Fund. They are based on your age, sex and occupation, as shown in the tables on pages17 and 18.

Example premium calculation

A member of the Fund is a male white-collar worker, aged 35, with a salary of $80,000 at the previous 1 July. He has Standard Insurance of:

15% × *salary* × *years to age 65*

= 15% × $80,000 × 30

= $360,000

The Company pays for the cost of this insurance.

He has calculated that he needs $1,000,000 of insurance for death and TPD to meet his family's needs, so he applies for $640,000 of Voluntary Insurance in addition to his Standard Insured Benefit.

The annual cost for this insurance in the first year is:

Premium rate per $1,000 for white-collar workers for Death and TPD *x Insured amount in thousands*

= $0.62 × 640

= $396.80

Premiums will change each year based on the premium rate shown in Table 1 on page 17 for the member's age.

INCOME PROTECTION BENEFIT

If you become temporarily unable to work due to illness or injury while a member of the Fund, you may receive Total and Temporary Disablement Benefit from the Fund's income protection insurance policy. It is paid monthly directly to your bank account.

This benefit is provided under an insurance policy held by the trustee of the Fund. Please read this section and the section *Insurance Restrictions* for information on the conditions of this insurance cover. For further information on insurance policy conditions and exclusions, please contact the Fund Secretary (see page 2 for contact details).

To be eligible for this benefit, you must be employed on a permanent basis working more than 15 hours per week and be aged less than 65 years of age.

You will automatically be covered by the income protection insurance policy if you join the Fund when you first start work with Manildra[3]. You don't need to apply or have your health assessed, unless your standard insured benefit is above the Automatic Acceptance Level or you delay joining the Fund when you start employment with Manildra (see *When does my income protection benefit start?* below).

Important note: If you already have income protection insurance elsewhere, you should compare the costs and conditions and decide which insurance to keep. Your income protection benefit in the Fund will be reduced by the amount you receive from any other policy.

How is the benefit calculated and when will I be paid?

If you are totally and temporarily disabled (see definition below), after a waiting period of 90 days, you will receive a monthly payment of up to 75% of your salary for up to 2 years. Prior to this, you may be eligible for paid sick leave or annual leave from your Employer.

The benefit will cease when you reach age 65 or recover. If you return to work in a reduced capacity, you will receive a partial disability benefit, and may also be eligible for assistance with rehabilitation expenses to help you return to work.

Please note that the amount paid by the Fund's insurer will be reduced by any worker's compensation or other income replacement payments you receive from other sources, so that you receive a total of 75% of your salary overall.

The maximum payment under the policy is $30,000 per month ($360,000 per annum).

How much does it cost?

Insurance premiums for the income protection benefit are deducted annually from your account in the Fund. Premiums depend on your age and sex, as shown in Table 3 on page 19. The cost of cover may change in the future.

You can cancel your income protection insurance at any time by writing to the Fund Secretary.

[3] See *Insurance restrictions* on page 11 for information on your situation if you delay joining the Fund.

Warning! Unless you cancel your income protection insurance, the premiums will be deducted from your account.

Example premium calculation

A female member of the Fund aged 45 has an annual salary of $80,000.

Her income protection insurance would provide her with a benefit of 75% × $80,000 = $60,000 per annum, or $5,000 per month. Based on the table on page 19, the annual cost for her insurance would be:

Rate per $100 monthly benefit × Monthly benefit amount in hundreds

= $3.27 × 50

= $163.50

Premiums will change each year based on the rate shown in the premium table for the member's age. Please note that the premium table itself may change from time to time.

Definition of Total and Temporary Disablement

You will qualify as totally and temporarily disabled if, solely as a result of illness or injury:

(a) you are medically certified that you are incapable of performing at least one of your main duties of your usual occupation to produce income; and

(b) you are not engaged in any occupation, whether or not for reward; and

(c) you are following the advice of a Medical Practitioner in relation to the illness or injury for which you are claiming.

You may also qualify for a Partial Disability Benefit if you are partially disabled after the end of the waiting period. Contact the Fund Secretary for more details – see page 2.

When does my income protection insurance start?

Members automatically receive insurance cover for the Income Protection Benefit if they join the Fund on commencing employment. See *Insurance restrictions* below for information on your situation if you delay joining the Fund.

INSURANCE RESTRICTIONS

The Death/TPD Insured Benefit and the Income Protection Benefits are provided under insurance policies taken out by the Trustee with a regulated life insurance company. The Fund's insurer is OnePath Life Limited (ABN 33 009 657 176). The current insurer is listed in each year's Annual Report to Members.

Automatic acceptance

Most employees who join the Fund on commencing employment automatically receive the Death/TPD Standard Insured Benefit and the Income Protection Benefit without being required to provide medical or other evidence. However, this may change depending on the Fund's insurer's requirements.

If either of these benefits calculated by the standard formulae described above is higher than the Automatic Acceptance Limit provided by the policy (currently $1,000,000 for the Death/TPD Standard Insured Benefit and $13,000 per month for the Income Protection Benefit) then you will be asked to provide medical evidence which must be assessed by the Fund's insurer before the full benefit can apply. If the insurer refuses to provide cover or restricts cover above the AAL, any benefit payable by the Trustee will be reduced accordingly.

If you delay joining the Fund, you won't automatically be covered by insurance for the Standard Insured Benefit or Income Protection Benefit. In this situation, or if you apply for a Voluntary Insurance Benefit, you may be required to provide the Fund's insurer with satisfactory evidence of health before you can receive the applicable insurance cover. This may involve a written statement or a medical examination. Special conditions may apply to insurance in these circumstances.

Limited accident cover

If you are injured in an accident within 90 days of the insurer receiving your application for:

- voluntary insurance or
- cover above the AAL or
- standard cover if you don't join the fund when first eligible

but before the Fund's insurer has decided whether or not to accept your application, you will be covered for Death by Accident or Death and TPD by Accident, depending upon the type of voluntary insurance you have applied for. If you have income protection insurance then limited cover will also apply. **Limited cover does not insure you against death or disablement as a result of illness.**

The limited accident insurance cover will pay the amount of insurance you have applied for, subject to maximum amounts and certain terms and conditions (if you need more information contact the Fund Secretary – see page 2).

Age limits and working hours limits

Insurance arrangements cease at age 65. For employees who work less than 15 hours per week the TPD Insured Benefit is only payable under restricted circumstances. The Income Protection Benefit is only available for permanent employees who work for at least 15 hours a week.

> **Insurance if you go on paid or unpaid leave**
>
> Your insurance cover can continue for up to two years while you are on employer-approved leave without pay or paid leave. You can also apply for cover to continue beyond two years of leave, but you should do so in writing before the end of the second year. While you are on leave, you will remain a member of the Fund and your employer will continue to meet the cost of your Standard death and TPD insurance cover. If your leave is unpaid then your employer will not make contributions to your account (unless otherwise agreed between you and the company). During this period, your Salary for calculating the insured benefits will be your Salary on the day prior to the commencement of the leave.
>
> Contact the Fund Secretary (see page 2) for more information.

Pregnancy

The Income Protection Benefit is not payable if you are disabled due to pregnancy unless you are disabled for more than three months after the end of the pregnancy, in which case the waiting period is deemed to start on the later of the date total disability begins and the end of the pregnancy.

War exclusion

Insurance may not be payable for death or disablement caused by war or an act of war in

Australia, New Zealand or your country of residence.

Self-harm exclusion

The Income Protection Benefit is not payable for any intentional self-inflicted injury.

Other Income Protection exclusions

The Income Protection benefit may not be paid while you are imprisoned or on remand in a correctional or rehabilitation facility, if you do not comply with insurer's claim requirements or insufficient notice at the start of the disability is provided to the insurer such that the insurer's management of the claim is prejudiced.

Maximum cover

The Insured Benefit is limited to a maximum cover of $5,000,000 on TPD, including both your Standard Insured Benefit and Voluntary Insurance Benefit. However, the Insured Benefit for death has no upper limit. The Income Protection Benefit is limited to a maximum cover of $30,000 per month.

If you make a claim for a TPD or Income Protection Benefit, you may need to undergo a medical or other examination if reasonably required by the Fund's insurer.

Pre-Existing Conditions

Pre-existing conditions are excluded from TPD and Income Protection insurance if a similar benefit could be claimed under a policy from another insurer at the time cover commenced under the current policy.

Cover Outside Australia

Subject to the conditions in respect of paid and unpaid leave, you will be covered while overseas whether on business or holiday. If you are an Australian resident and you are working overseas then you will be covered for up to five years subject to certain conditions (refer to the Fund Secretary if you require more information – see page 2).

Cessation of Cover

Your insurance cover ceases if any of the following happens:

- If you are not an Australian resident then the date you cease to be permanently in Australia or are not eligible to work in Australia;
- You cease to be an employee of your Employer in the Manildra Group;
- You cease to be a member of the Fund;
- For the Death/TPD insurance cover: a Death, Total and Permanent Disablement Benefit or Terminal Illness Benefit has been paid;
- You die;
- You commence duty with the military services (other than the Australian Armed Forces Reserve) of any country;
- You commence active service with the Armed Forces of any country (except the Australian Defence Forces Reserve in which case cover will cease once you become the subject of a call order under the *Defence Act 1903*;
- You reach age 65;
- You cease to satisfy the eligibility criteria for insurance;
- The policy is cancelled or terminated for any reason;
- The Trustee asks the Fund's insurer to terminate your cover and the insurer agrees;
- Premiums remain unpaid for 30 days or more after the due date;
- You go on leave without satisfying conditions imposed by the insurer (contact the Fund Secretary for details); or
- You cancel your Voluntary Insured Benefit or Income Protection Benefit—to the extent of the cancelled insurance.

Insurance after leaving employment

You may be able to continue the insured part of your Death Benefit and/or your Income Protection Benefit as a personal insurance policy at your own expense (subject to the terms and conditions of the Fund's insurer) after you leave employment, if you were employed on a permanent basis for at least 15 hours weekly.

Generally this option will allow you to continue your insurance cover for your death benefit and/or your Income Protection benefit (but not your Total and Permanent Disablement benefit), after you terminate employment, without the need to provide normal medical evidence. If you wish to apply for higher cover, the Fund's insurer will ask you to provide evidence of health, which may include undergoing a medical examination. The insurer will then advise you of the amount and type of cover available to you and the applicable insurance premiums.

You can apply for the continuation of your Death cover and/or your Income Protection cover (a "continuation option"), if:

- You are 60 years of age or less;
- You apply in writing and pay the required premium within 60 days of ceasing employment with your Employer;
- You are an Australian resident or holder of a visa that allows you to work in Australia;
- You provide any information to the insurer that it considers relevant but does not relate to medical information;
- You acknowledge that any restrictions, limitations or loadings under the existing policy will apply to the new individual policy;
- The insurance policy with the Fund's insurer remains in force;
- You do not join any military forces (other than the Australian Armed Forces Reserve and you are not on active duty outside Australia); and
- You are not eligible to receive any benefit under the existing policy.

For the Income Protection cover, additional conditions also apply:

- You must apply for an individual policy only;
- You must be engaged in a new occupation which is acceptable as an insurable occupation under the new contract and you are working at least the minimum number of hours required under the new contract; and
- You must not be eligible for benefits under the existing policy or any other policy issued by the insurer for similar benefits nor any former policy that the existing policy replaced.

Arranging Continuation of Insurance

To arrange for the continuation of your insurance cover, you need to commence a policy with the Fund's insurer <u>within 60 days of leaving your Employer in the Manildra Group.</u>

To arrange the continuation of your insurance, please contact:

Derek Alvarenga
Gow-Gates Financial Services Pty Ltd
GPO Box 4731
Sydney NSW 2001
Telephone: (02) 8267 9984.

Extension of Insurance Cover after leaving Manildra

If you were in permanent employment, you remain covered for up to 60 days after you leave the employment of the Company and you can make a claim for:

- Death;
- Total and Permanent Disablement; and
- Income Protection Benefits

If you apply for a continuation option and are accepted by the insurer, the insurance cover provided by your personal policy will replace this "extended cover".

This "extended cover" will also cease if any event occurs which would cause cover under the policy to cease (e.g. you reach age 65) or you commence employment with another employer or you commence working as a contractor.

Policy Terms

Payment of insurance cover is subject to the terms and conditions of the insurance policies. Only the main features of the insurance cover are described here and other conditions may apply. If for some reason the Fund's insurer does not pay out all or part of the benefit, then the benefit payable by the Fund may be reduced by that amount.

PAYMENT OF BENEFITS

Claiming Your Benefits

Withdrawal Benefit

➡ *To claim your Withdrawal Benefit*, your Employer will advise the Fund's administrator that you have left and you will then be sent a Superannuation Lump Sum Pre-Payment Statement and a Superannuation Payment Instructions Form which you should complete and return to the Fund's administrator. If you wish for an earlier payment then contact your Payroll Department.

Before you can be paid a benefit, you will be asked to provide the Fund with appropriate proof of identity, such as a certified copy of your driver's licence or passport. Details of acceptable documents and certification procedures will be provided to you with the Payment Instructions Form.

Death Benefit

➡ *To claim Death Benefit*, your beneficiary or legal personal representative needs to apply as soon as possible after becoming aware of this benefit. Contact the Fund Secretary.

Before a benefit can be paid the Fund must be provided with a death certificate.

Total and Permanent Disablement Benefit or Terminal Illness Benefit

➡ *To claim your Total and Permanent Disablement Benefit or Terminal Illness Benefit*, you need to apply as soon as possible after becoming aware that you may be eligible to claim this benefit. Contact the Fund Secretary.

Before a benefit can be paid you must provide the Fund with current certificates from two registered medical practitioners, at least one of whom is a specialist in an area related to your injury or illness, stating that your illness or injury is likely to result in death within 12 months.

Income Protection Benefit

➡ *To claim your Income Protection Benefit*, you need to apply as soon as possible after becoming aware that you may be eligible to claim this benefit. Contact the Fund Secretary.

Withdrawing Your Money While Employed by the Company

Under current legislation, in most circumstances you cannot withdraw cash from your account in the Fund while you remain employed by the Company (except for unrestricted non-preserved amounts, see below).

You can receive part or all of your Fund benefit as a Pre-Retirement Pension. For more details, please read the Fund's Pension PDS, available from the [Member Guide and PDS] section of the Fund's website or from the Fund Secretary.

You could also choose to roll over all or part of your benefit to another superannuation fund on request to the Trustee. You can:

(i) roll over all of your benefit to another superannuation fund and direct your Employer contributions to another fund or

(ii) if you wish your Employer contributions to continue to be paid to the Fund, you must retain a balance of at least $5,000 in the Fund.

Preservation

Preservation is a Government rule which imposes restrictions on the payment of superannuation benefits in cash. It ensures that some or all of your superannuation is retained in the superannuation system until you retire or satisfy some other condition of release under superannuation legislation. Each year your Benefit Statement shows how much of your benefit is required to be preserved. Your superannuation benefits can be broken into several components:

- **Preserved Benefits** must be retained in the superannuation system until you reach your preservation age or a condition of release is met (see page 15). All superannuation contributions (including your voluntary contributions) made since 1999, and investment earnings are preserved.
- **Restricted Non-Preserved Benefits** can be cashed if you leave your employment.
- **Unrestricted Non-Preserved Benefits** are benefits that can be cashed at any time, in part or in full,

subject to the deduction of the lump sum tax. For example, these may be benefits rolled in from previous superannuation funds that were not subject to preservation.

➡ **To withdraw your unrestricted non-preserved benefits**, please contact your Payroll Department.

When can I Access My Preserved Benefits?

You can only access your preserved benefits if one of the following conditions is met:

- You reach age 65;
- You retire permanently from the workforce or transfer your benefit to a "transition to retirement" superannuation pension at or after your preservation age;

  Your preservation age depends on when you were born, as shown in the following table:

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

- You leave employment on or after age 60;
- You die, are terminally ill, or become totally and permanently disabled;
- You have less than $200 in preserved benefits on termination of employment;
- You are a temporary resident holding an eligible class of visa and have permanently left Australia – a different tax rate applies in this circumstance. In this case, payment is compulsory and if you do not provide payment instructions then your benefit will be paid to the Australian Taxation Office, in which event you would need to claim your benefit from them; or
- You meet the strict, severe financial hardship or specified compassionate grounds requirements under the Superannuation Industry (Supervision) legislation. Contact the Fund Secretary if you require more details.

YOUR BENEFITS ON DIVORCE

Effect of Divorce on Your Benefits

Superannuation benefits can be split on divorce or separation.

Part of your benefit may become payable to your former spouse as a result of a Family Court order or an agreement with your former spouse. In this event the Trustee may establish an account in the Fund for your former spouse or make a payment out of the Fund in respect of your former spouse. In either event your benefit will be reduced by the amount payable to your former spouse.

Alternatively, the Family Court may order your benefit to be "flagged". In the event that your superannuation is flagged, you will generally be unable to be paid a benefit until the flag is removed by agreement between the parties or until the Family Court makes an order.

For more information contact the Fund Secretary.

Table 1: Premium rates for Voluntary Insurance – White Collar Workers

This table shows the annual insurance premium for each $1,000 of insurance, for white collar members.

Age	Male Death & TPD	Female Death & TPD	Male Death Only	Female Death Only
15	0.64	0.27	0.54	0.22
16	0.64	0.27	0.54	0.22
17	0.64	0.27	0.54	0.22
18	0.64	0.27	0.54	0.22
19	0.64	0.27	0.54	0.22
20	0.63	0.26	0.52	0.21
21	0.60	0.25	0.48	0.20
22	0.58	0.25	0.45	0.19
23	0.56	0.23	0.43	0.17
24	0.54	0.22	0.40	0.16
25	0.51	0.21	0.37	0.15
26	0.50	0.22	0.35	0.15
27	0.49	0.21	0.34	0.14
28	0.49	0.22	0.33	0.14
29	0.50	0.24	0.32	0.14
30	0.51	0.25	0.32	0.14
31	0.52	0.27	0.32	0.15
32	0.54	0.30	0.32	0.16
33	0.57	0.34	0.33	0.17
34	0.60	0.39	0.34	0.19
35	0.62	0.43	0.34	0.20
36	0.66	0.49	0.35	0.22
37	0.70	0.55	0.36	0.24
38	0.76	0.62	0.38	0.26
39	0.82	0.70	0.40	0.28
40	0.92	0.80	0.44	0.31
41	1.03	0.91	0.47	0.34
42	1.16	1.01	0.52	0.36
43	1.31	1.11	0.57	0.38
44	1.47	1.20	0.62	0.39
45	1.64	1.30	0.67	0.41
46	1.84	1.43	0.73	0.43
47	2.05	1.58	0.79	0.45
48	2.29	1.78	0.85	0.48
49	2.55	2.01	0.92	0.52
50	2.86	2.28	1.00	0.57
51	3.18	2.57	1.08	0.63
52	3.54	2.87	1.16	0.69
53	3.94	3.19	1.25	0.75
54	4.33	3.50	1.34	0.82
55	4.74	3.81	1.44	0.89
56	5.21	4.12	1.56	0.96
57	5.75	4.45	1.69	1.04
58	6.38	4.80	1.84	1.12
59	7.07	5.15	2.00	1.20
60	7.85	5.57	2.18	1.30
61	8.69	6.05	2.36	1.41
62	9.59	6.68	2.55	1.56
63	10.56	7.41	2.75	1.73
64	11.61	8.25	2.95	1.93

Table 2: Premium rates for Voluntary Insurance – non-White Collar Workers

This table shows the annual insurance premium for each $1,000 of insurance, for blue collar members.

Age	Male Death & TPD	Female Death & TPD	Male Death Only	Female Death Only
15	1.05	0.43	0.82	0.33
16	1.05	0.43	0.82	0.33
17	1.05	0.43	0.82	0.33
18	1.05	0.43	0.82	0.33
19	1.05	0.43	0.82	0.33
20	1.02	0.43	0.77	0.31
21	1.00	0.43	0.73	0.30
22	0.97	0.41	0.68	0.28
23	0.95	0.40	0.64	0.26
24	0.92	0.38	0.60	0.24
25	0.89	0.38	0.56	0.23
26	0.87	0.37	0.53	0.22
27	0.86	0.38	0.50	0.21
28	0.87	0.41	0.49	0.21
29	0.90	0.43	0.49	0.21
30	0.91	0.46	0.48	0.21
31	0.94	0.52	0.48	0.23
32	0.98	0.57	0.48	0.24
33	1.04	0.65	0.49	0.26
34	1.10	0.73	0.50	0.28
35	1.16	0.83	0.51	0.30
36	1.23	0.94	0.52	0.33
37	1.32	1.08	0.54	0.36
38	1.44	1.22	0.57	0.39
39	1.59	1.39	0.61	0.42
40	1.78	1.61	0.66	0.47
41	2.00	1.83	0.71	0.51
42	2.26	2.04	0.78	0.54
43	2.56	2.25	0.85	0.57
44	2.90	2.46	0.93	0.59
45	3.26	2.68	1.01	0.61
46	3.65	2.95	1.09	0.64
47	4.10	3.30	1.18	0.68
48	4.61	3.73	1.28	0.73
49	5.16	4.23	1.38	0.78
50	5.80	4.81	1.50	0.85
51	6.49	5.45	1.62	0.95
52	7.25	6.09	1.74	1.04
53	8.09	6.78	1.87	1.13
54	8.94	7.43	2.01	1.22
55	9.79	8.08	2.16	1.33
56	10.79	8.76	2.34	1.44
57	11.93	9.46	2.53	1.56
58	13.27	10.19	2.76	1.68
59	14.75	10.97	3.00	1.81
60	16.41	11.83	3.27	1.95
61	18.21	12.87	3.55	2.12
62	20.13	14.19	3.83	2.34
63	22.20	15.76	4.12	2.60
64	24.47	17.53	4.43	2.89

Table 3: Premium rates for income protection insurance

This table shows the annual insurance premium for each $100 of insured monthly benefit.

Age	Male	Female
15	$0.77	$0.84
16	$0.77	$0.84
17	$0.77	$0.84
18	$0.77	$0.84
19	$0.77	$0.84
20	$0.78	$0.85
21	$0.78	$0.86
22	$0.79	$0.86
23	$0.79	$0.87
24	$0.80	$0.86
25	$0.78	$0.92
26	$0.76	$0.95
27	$0.76	$0.98
28	$0.76	$1.00
29	$0.77	$1.02
30	$0.79	$1.05
31	$0.81	$1.08
32	$0.84	$1.12
33	$0.88	$1.17
34	$0.93	$1.24
35	$0.99	$1.31
36	$1.06	$1.41
37	$1.13	$1.52
38	$1.23	$1.65
39	$1.33	$1.81
40	$1.45	$1.98
41	$1.60	$2.19
42	$1.76	$2.41
43	$1.94	$2.67
44	$2.15	$2.95
45	$2.40	$3.27
46	$2.67	$3.61
47	$2.98	$3.98
48	$3.34	$4.38
49	$3.74	$4.81
50	$4.19	$5.27
51	$4.70	$5.76
52	$5.28	$6.28
53	$5.92	$6.83
54	$6.65	$7.40
55	$7.45	$7.99
56	$8.36	$8.61
57	$9.36	$9.25
58	$10.48	$9.91
59	$11.72	$10.58
60	$13.09	$11.25
61	$14.57	$11.90
62	$14.81	$11.55
63	$8.30	$6.29
64	$2.74	$2.07