

# Defined Benefit Scheme

## Deferred (pension only) account

This guide provides a summary of your deferred (pension only) account and should be read in conjunction with your benefit estimate or statement.

### What to expect in this guide

#### 1 What is a deferred benefit?

The difference between a defined and a deferred benefit.

#### 2 Payment of your deferred pension

When and how your benefit is paid.

#### 3 Explaining your pension value

Your fortnightly pension value depends on your age.

#### 4 How the CPI updates work

This helps your pension retain the same purchasing value in line with inflation.

#### 5 Your entitlements

How and when we pay your entitlements.

#### 6 Fees and costs

What applies to your account.

**If there are any inconsistencies between this summary and the trust deed, the trust deed will prevail.**

### 1 What's a deferred benefit?

A deferred benefit represents the part(s) of your former defined benefit account that has become deferred since the date you changed employers or stopped contributing to the Defined Benefit Scheme. This amount is deferred until you become eligible to receive it.

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

You may also have an accumulation (super) account to receive contributions paid by your employer, which are based on your ordinary time earnings.

For more information about the features and conditions of your accumulation account please refer to the *Product Disclosure Statement* available from [aware.com.au/pds](http://aware.com.au/pds) or call us on **1300 650 873**.

### 2 Payment of your deferred pension

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

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

- reach your preservation age and permanently retire, leave your employer after age 60, or turn 65

- apply for the release of your entitlements due to severe financial hardship or on compassionate grounds
- die, become permanently incapacitated or terminally ill.

Payment conditions under the trust deed must also be satisfied

For more information about the preservation rules and conditions of release, including a full list of release conditions, read the 'How to access your super' factsheet at [aware.com.au/factsheets](https://www.aware.com.au/factsheets) or call us.

### 3 Explaining your pension value

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

#### If you are under age 55

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

#### If you are age 55 or over

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

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

### 4 How the CPI updates work

Movements in the CPI are provided by the Australian Bureau of Statistics and are pro-rated over the number of days your pension or lump sum is in your account, from the time that your defined benefit is transferred into the deferred account.

Applying the CPI helps your pension retain the same purchasing value in line with inflation over time. Deferred pension entitlements are updated in June and December each year in accordance with movements in the CPI rate that is applicable to the preceding six month period.

For example, for the increase that is applied in June, the CPI applicable is taken from the previous July to December period.

If you commence your pension in May, the adjustment applicable for the period January to May (while

your entitlement was still deferred) is taken from the previous July to December period.

### 5 Your entitlements

#### If you die

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

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

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

#### If you become permanently disabled

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

#### Your estimated benefit entitlements

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

### 6 Fees and costs

There are no direct or indirect fees payable on your deferred pension benefit.

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

## Need help?

Defined Benefit Schemes can be confusing. Make sure you understand all the risks and benefits before you to choose to take money out, or make any other decisions about your account. .

If you have any questions, please contact us on [aware.com.au/contact](https://www.aware.com.au/contact). We'll be happy to put you in touch with one of our qualified financial advisers who can help you decide what's best for you.

## We're here to help

### Contact us



1300 650 873



[aware.com.au/contact](https://www.aware.com.au/contact)



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Come in to one of our local offices in Australia for help and advice.

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### Important information

Any advice in this document has been prepared without taking account of your objectives, financial situation or needs. Because of this, you should, before acting on any advice in this document, consider its appropriateness, having regard to your objectives, financial situation and needs. You should obtain and consider the Product Disclosure Statement and/or any additional information about the product before making any decision—contact us for copies. The superannuation product is issued by Aware Super Pty Ltd (ABN 11 118 202 672, AFSL 293340) as trustee for Aware Super (ABN 53 226 460 365).

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