

Issued March 2023

Important information about your defined benefit scheme

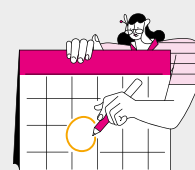
So you can continue to achieve your retirement goals, the management of your Aware Super account is being simplified. This means accessing the help and support you need is becoming even easier.

We need to let you know about the following changes which are planned to happen on 1 May 2023.

It's important that you read this notice, but **there's nothing you need to do today**. However, this may be a good opportunity to review the changes and get an understanding of what's best for you.

Key dates you need to know

So we can make the changes in this notice, some systems and services will be temporarily unavailable between **3pm Wednesday 26 April 2023** and **9am Wednesday 10 May 2023**, and this is what's impacted.



On this date*...

this will happen...

5pm Monday 24 April 2023

Be sure we receive your **paper forms** with any updates to your account before 5pm Monday 24 April 2023.
You might experience a delay in processing any payment requests and other transactions from your account.

Monday 1 May 2023

Your account will change to the new arrangements outlined in this notice.

* These dates are subject to change but we'll keep aware.com.au/sen updated with the latest information.

Changes to the Adjusted Final Fund Salary (AFFS)

When we calculate your defined benefit, your Adjusted Final Fund Salary (AFFS) is based on your fund salary, and your employer gives us these details. It represents the greater of your average salary (over the previous two years of employment) and your salary as of 1 January 1994.

Currently, we calculate your AFFS based on the reported fund salary received from your employer. This method is impacted by your employer's pay cycle and can result in part of your salary being included or excluded depending on the date of the calculations.

From 1 May 2023, we'll use a more precise calculation for your AFS which will be calculated as the total fund salary advised to us by your employer for the two preceding years, divided by two.

The new method will only include the portion of your salary relevant to the two-year period. This method will be more precise as it considers pay received for all working days within the two-year period.

Case study

Below is a case study comparing the new method to the current method for a person employed full time with a salary for defined benefit purposes of \$9,000 per month paid on the 20th of every month. Their pay increases to \$12,000 per month starting with their pay on 20 July 2021. Their two-year period for the AFS calculation is between 1 July 2021 and 30 June 2023.

Pay period start date	Pay period end date	Salary	Current method	New method
21 June 2021	20 July 2021	\$9,000	\$9,000 the full pay period amount is included	\$6,000 (pro rata for period from 1 July 2021 – \$9,000 x 20/30)
21 July 2021	20 June 2022	\$9,000 per month	\$99,000 (\$9,000 per month x 11 months)	\$99,000 (\$9,000 per month x 11 months)
21 June 2022	20 June 2023	\$12,000 per month	\$144,000 (\$12,000 per month x 12 months)	\$144,000 (\$12,000 per month x 12 months)
21 June 2023	20 July 2023	\$12,000	\$0 as the amount is received after 30 June 2023 it is excluded	\$4,000 pro rata for the period ending 30 June 2023 – \$12,000 x 10/30)
AFS for the period			\$126,000 (\$252,000/2)	\$126,500 (\$253,000/2)

Changes to non-binding beneficiary nominations

From 1 May 2023 we'll no longer offer non-binding death benefit nominations, but if you currently have a non-binding nomination it will remain in place.

What's next?

It's important you understand the changes detailed in this letter but it's for your information only and **there's nothing you need to do.**

A copy of this *Important information about your defined benefit scheme* can be found at aware.com.au/sen



Kind regards

A handwritten signature in black ink, appearing to read 'JoB'.

Jo Brennan

Chief Operating Officer