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**SCHEDULE 1A**  
**ENERGY INDUSTRIES ELECTRICAL CONTRACTORS SCHEME**  
**OR**  
**DIVISION N**

This Consolidation contains the following Amendments:

*Amendment 20 (introduced Division N)*

Amendment 21

Amendment 23

Amendment 24

Amendment 25

Amendment 28

Amendment 29

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## Schedule 1 A Division N – (NESS)

These are the Rules governing Division N of the Scheme.

### 1 INTERPRETATION

#### 1.1 Definitions

In these Rules:

**Additional Insured Benefit** means a benefit payable by an insurer under a contract entered into by the Trustee and includes, if that contract so provides, components of the Additional Insured Benefit which may be offered to members in any combination as set out in the contract;

**Additional Insured Benefit Cover** means being eligible for an Additional Insured Benefit;

**Additional Insured Benefit Premium** means the premium that, in order to attract the Additional Insured Benefit for a Member, is paid from the Member's Benefit Account;

**Adjustment Amounts** *[deleted by Deed of Amendment No [25] operative 1/7/07]*

**Application Price** *[deleted by Deed of Amendment No [25] operative 1/7/07]*

**Asset Portfolio** means an Asset Portfolio established in accordance with rule 2.8;

**At Work** means being employed by a Division N Employer:

- (a) on a casual, temporary or permanent basis to carry out identifiable duties; and
- (b) actually performing those duties or being on fully paid leave except leave caused by sickness or injury.

**Basic Cover** means Basic Death Cover and Temporary Salary Continuance Cover;

**Basic Death Benefit** means the Benefit referred to in rule 10.2.1;

**Basic Death Cover** means being eligible for the Basic Death Benefit in the event of dying;

**Basic Death Premium** means the charge or premium that, in order to attract the Basic Death Cover for a Member, is deducted from the Member's Benefit Account;

**Basic Insured Death Cover** means cover under any insurance policy or policies that the Trustee in its absolute discretion shall take out to provide an amount of insured cover that the Trustee designates as basic cover;

*[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

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**Basic Insured Death Cover Premium** means the premium that, in order to attract Basic Insured Cover for a Member, is paid from the Member's Benefit Account;

*[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

**Class of Contributions** means one of either:

- (a) compulsory employer contributions made in accordance with rule 5.1;
- (b) optional employer contributions made in accordance with rule 5.3; or
- (c) optional member employee contributions made in accordance with rule 6.1;

**Complying Fund** means a superannuation fund that complies with the Superannuation Law;

**Division N Employer** means an employer who agrees to be bound by the terms of Division N but does not include any person that has ceased to participate. When used in relation to a Member it means the employer or former employer of that person;

**Eligible Spouse Contributions** means:

- (a) contributions for an Optional Member who is a Spouse of the person making the contributions at the time those contributions are made; and
- (b) the person making the contributions is not entitled to a deduction under the relevant provisions of the Income Tax Acts in relation to the contributions;

**Family Law Spouse** means a spouse entitled to a payment split under the Family Law Act;

**Family Law Spouse Amount** means the amount determined in accordance with Family Court Agreement or order;

**Full Member** means an employee who is, by virtue of rule 4.2 or any other provision of these Rules, a Full Member under this Division;

**Full Normal Duties** means for a Member being At Work and in the Trustee's opinion not being restricted by sickness or injury from carrying out:

- (a) the identifiable duties of his or her employment; or
- (b) the duties of his or her usual occupation,

each week on a full time basis being at least 30 hours each week.

**General Management Account** means the General Management Account established in accordance with rule 2.10;

**GST** *[deleted by Deed of Amendment No [25] operative 1/7/07]*

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**Inactive Member** means a person:

- (a) who has ceased to be a Full Member or an Optional Member under this Division and who has a Preserved Benefit under this Division; or
- (b) who is a Full Member or an Optional Member who is prevented by rule 9.1 from contributing to this Division;

**Insured Benefit** means Basic Insured Death Cover, Total Disability Benefit Cover and Additional Insured Benefit Cover;

*[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

**Insured Benefit Premiums** means Basic Insured Death Cover Premium, Total Disability Benefit Premium and Additional Insured Benefit Premium;

*[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

**Investment Direction** *[deleted by Deed of Amendment No [25] operative 1/7/07]*

**Liabilities** means:

- (a) all liabilities under this Division including:
  - (i) liabilities accrued but not yet paid; and
  - (ii) management costs referred to in rule 2.12; and
- (b) any provision which the Trustee considers should be taken into account in determining the liabilities under this Division;

**Management Charges** means the charges and expenses determined in accordance with rule 2.14;

**Member** means a Full Member, an Optional Member or an Inactive Member;

**Member's Benefit Account** means the Benefit Account established and maintained under rule 2.3 in respect of a Member;

**Minimum Information** means name of the person, gender, date of birth, address, and date of commencement of employment and any other information the Trustee determines;

**Month** means a calendar month;

**Net asset Value** *[deleted by Deed of Amendment No [25] operative 1/7/07]*

**Normal Pregnancy or Childbirth** means normal and uncomplicated pregnancy or childbirth, including multiple pregnancy, caesarean birth, threatened miscarriage, participation in in-vitro fertilisation or other medically assisted fertilisation techniques and normal discomforts of pregnancy, such as morning sickness, backache, varicose veins, ankle swelling and bladder problems;

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**Optional Member** means:

- (a) an employee who was not a Full Member and who has made an election under this Division that is still in force to contribute to this Division, or
- (b) the Spouse of a person on whose behalf the person has made an election under this Division that is still in force to contribute to this Division;

**Pool** *[deleted by Deed of Amendment No [25] operative 1/7/07]*

**Preserved Benefit** means a Benefit preserved under these Rules;

**Protected Member** means a Member who meets the requirement of a Protected Member under Regulation 1.03(1) of the Superannuation Industry (Supervision) Regulations under the *Superannuation Industry (Supervision) Act 1993*;

**Same Sex Partner** *[deleted by Deed of Amendment No [29] operative 1/7/07]*

**Spouse** *[deleted by Deed of Amendment No [29] operative 1/7/07]*

**Superannuation guarantee amount** means the minimum amount payable to a superannuation fund or scheme in respect of a Member that is sufficient to avoid an individual superannuation guarantee shortfall, within the meaning of the *Superannuation Guarantee (Administration) Act 1992*;

**Temporary Salary Continuance Benefit** means the Benefit referred to in rule 10.2.2;

**Temporary Salary Continuance Cover** means being eligible for the Temporary Salary Continuance Benefit in the event of becoming Temporarily Totally Disabled;

**Temporary Salary Continuance Premium** means the charge or premium that, in order to attract the Temporary Salary Continuance Benefit for a Member, is deducted from the Member's Benefit Account;

**Temporary Total Disablement** means a disablement which results from an illness, accident or injury and results in the Member:

- a) being continuously absent from his or her employment for the Waiting Period (of 3 months or such other period determined by the Trustee from time to time); and
- b) being wholly and continuously unable to perform each and every normal duty as an employee, and remaining under the regular care and attention of a legally qualified medical practitioner;

PROVIDED THAT Temporary Total Disablement of a member entitled to Temporary Salary Continuance Benefit ceases on the first to occur of:

- i) the date the member engages in or performs any occupation or work for reward,
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- ii) the date the member attains the age of 65,
  - iii) 24 monthly instalments.

**Total Disability** means in relation to a Member, if insurance cover for total temporary disablement benefits applies to the Member, the same meaning as the corresponding term in the policy of insurance for that Member;

*[inserted by Deed of Amendment No [23] operative 19/9/05]*

**Total Disability Benefit Cover** means cover under any insurance policy or policies that the Trustee in its absolute discretion shall take out to provide an amount of insured cover set out in rule 10.4A.1;

*[inserted by Deed of Amendment No [23] operative 19/9/05]*

**Total Disability Benefit Premium** means the premium that, in order to attract cover for a Total Disability Benefit for a Member, is paid from the Member's Benefit Account;

*[inserted by Deed of Amendment No [23] operative 19/9/05]*

**Units** *[deleted by Deed of Amendment No [25] operative 1/7/07]*

**Unit Value** *[deleted by Deed of Amendment No [25] operative 1/7/07]*

**War** includes any act of war (whether declared or not), revolution, invasion or rebellion in which Australia is involved.

- 1.2 Unless the contrary intention appears, the terms used in these Rules shall have the same meaning as defined in the Deed.

## **2 MAINTENANCE AND ADMINISTRATION**

### **2.1 Payments to Division**

2.1.1 The Trustee shall cause to be held in Pool A in respect of this Division:

- (a) Contributions made by Division N Employers and Members under this Division; and
- (ab) Family Law Spouse Amounts credited under this Division; and  
*[inserted by Deed of Amendment No [21] operative 28/12/02]*
- (b) income derived from investment of assets held in respect of this Division, and any profit made from realisation of any investment held in respect of this Division; and
- (c) subject to Superannuation Law, money borrowed for the purposes of this Division; and
- (d) any other amounts payable to this Division.

### **2.2 Payments from this Division**

2.2.1 The Trustee is required to cause to be paid from Pool A in respect of this Division:

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- (a) administration or trustee fees charged by the Trustee;
  - (b) the administration costs incurred by the Trustee;
  - (c) any Tax;
  - (d) Benefits payable under these Rules;
  - (e) premiums or other amounts payable for the basic death or invalidity cover or cover for an Insured Benefit under these Rules; and  
*[amended by Deed of Amendment No [23] operative 19/9/05]*
  - (f) any other amounts payable from this Division.

## **2.3 Members' Benefit Accounts**

- 2.3.1 The Trustee is required to establish and maintain under this Division a separate Benefit Account for each Member.
  - 2.3.2 As soon as practicable after a person becomes a Member, the Trustee is to establish a single account for the Member in accordance with subrule 2.3.1, irrespective of the number of separate Division N Employers from whom Contributions are received in respect of that Member.
  - 2.3.3 If separate Benefit Accounts are established in respect of a Member, the Trustee shall, upon becoming aware of that fact, consolidate those separate Benefit Accounts into a single Benefit Account as from the first day of the following month. No adjustment is to be made, however, to any charges applied to those separate Benefit Accounts in accordance with these Rules prior to that date.
  - 2.3.4 Within each Member's Benefit Account established in accordance with sub rule 2.3.1 the Trustee is to maintain a separate sub-account for each Class of Contributions made by or on behalf of the Member.
  - 2.3.5 All Contributions made by or on behalf of a Member, together with any interest payable to the Trustee in respect of those Contributions, are to be credited to the sub-account applicable to the Class of Contributions maintained in accordance with subrule 2.3.4. The effective date of each such credit is the date that payment of those Contributions or interest (if any) or both, is credited by the Trustee to the Members' Account.
  - 2.3.6 Subject to subrule 2.3.7, as at times which the Trustee considers appropriate, the Benefit Account of each Member is to be adjusted as follows:
    - (a) by debiting the following amounts:
      - (i) any Liabilities under this Division which are attributable to the Member;
      - (ii) amounts paid under this Division in respect of the Member;
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(iii) any provisions for any payments in respect of the Member as the Trustee considers appropriate;

(iv) any negative interest attributable to the Member; and

*[inserted by Deed of Amendment No [25] operative 1/7/07]*

(b) by crediting or debiting any other amount which the Trustee considers appropriate and which is required or permitted under these Rules to be attributed to the Member.

(c) Where a Family Law Spouse Amount is required to be dealt with in accordance with the Family Law Act and the Superannuation Law, the Member's Benefit Account will be debited with the amount. The Trustee will deal with the Family Law Spouse Amount in accordance with clause 14.25.

*[inserted by Deed of Amendment No [21] operative 28/12/02]*

2.3.7 Where all or part of the Members Benefit Account is not invested in unitised Pools, as at the last day of each Month, all or that part of the Benefit Account of each Member is to be adjusted as follows:

(a) interest is to be credited to each sub-account on a daily balance pro rata basis at the rate declared by the Trustee, in accordance with rule 2.9, to be the investment earning rate for that Month for the particular Asset Portfolio applicable to that Member;

(aa) the Benefit Account of each Member is to be credited with any increase in Unit Value of the Units attributable to the Member;

*[inserted by Deed of Amendment No [25] operative 1/7/07]*

(b) the Benefit Account of each Member is to be debited with Management Charges the particular sub-account or sub-accounts to which that charge is to be debited is to be at the discretion of the Trustee; and

(c) the amount of any premiums and any other charges payable by a Member for that Month in respect of Basic Death Cover or Basic Insured Death Cover or Total Disability Benefit Cover or Temporary Salary Continuance Cover or Additional Insured Benefit Cover is to be debited to the sub-account maintained for that Member for the compulsory employer contributions Class of Contributions unless the compulsory employer contributions account does not have sufficient balance to pay the premium or charges in which case the amount is to be debited to another sub-account of that Member as determined by the Trustee.

*[amended by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

2.3.8 Immediately before payment of a Benefit from a Member's Benefit Account, that account to the extent it is not invested in Pools that are unitised is to be adjusted as follows:

(a) interest is to be credited to each sub-account on a daily balance pro rata basis at the rate declared by the Trustee, in accordance with rule 2.9, to be the investment earning rate for the Asset Portfolio applicable to that

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Member calculated for the period from the first day of the Month to the date of authorisation of payment;

- (b) a management fee is to be debited to the appropriate sub-account, as determined by the Trustee, that fee being equal to the monthly Management Charge for the preceding month; and
- (c) an amount equal to the Basic Death Premium or Basic Insured Death Cover Premium or Total Disability Benefit Premium or Temporary Salary Continuance Premium or Additional Insured Benefit Premiums or charges payable for the Month in which the Member ceased employment shall, if not previously debited to the Member's Benefit Account, be debited to the sub-account maintained for that Member for the compulsory employer contributions Class of Contributions unless the compulsory employer contributions account does not have sufficient balance to pay the premium or charges in which case the amount is to be debited to another sub-account of that Member as determined by the Trustee.

*[amended by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

- (d) A Member's membership ceases once the Member's account balance becomes nil or negative provided that if the Member's account balance becomes nil or negative in circumstances where the Trustee has reason to believe that the Member will again receive contributions, the Trustee may treat the Member as not having ceased to be a Member

2.3.9 For the purposes of operating Members' Benefits Accounts in accordance with these Rules and Superannuation Law, the Trustee may from time to time adjust members' accounts for the following purposes:

- (a) to correct mistakes relating to amounts credited to, or debited from, members' accounts; or
- (b) to correct amounts credited to, or debited from, accounts consequential on a change in the law applicable to members accounts.

2.3.10 The Trustee must calculate the amount under subrule 2.3.9 having regard to:

- (a) any fees or charges deducted in respect of the Contributions;
- (b) any interest credited in respect of the Contributions;
- (c) any Tax paid or payable in respect of the Contributions; and
- (d) any other matter that the Trustee considers appropriate.

2.3.11 The Trustee need not establish more than one Benefit Account for a person who is an Inactive Member and who subsequently becomes a Full Member or an Optional Member. Any such Benefit Account may contain any Benefit previously preserved.

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## **2.4 Payments to be credited to Members' Benefit Accounts**

2.4.1 There is required to be credited to a Member's Benefit Account:

- (a) any Contributions made by the Member's Division N Employer to this Division in respect of the Member;
- (b) any Contributions made by or on behalf of the Member to this Division; and
- (c) any other amounts payable to the Benefit Account.

## **2.5 Payments to be debited to a Member's Benefit Account:**

2.5.1 There is required to be debited to a Member's Benefit Account:

- (a) if the Member is covered for the Basic Death Benefit or Basic Insured Death Cover or Total Disability Benefit or Temporary Salary Continuance Benefit or the Additional Insured Benefit the amount of any premiums payable by or in respect of the Member;  
*[amended by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*
- (b) Benefits payable to or in respect of the Member;
- (c) management costs incurred by the Trustee as referred to in rule 2.12;
- (d) the amount of any Tax as referred to in rule 2.13; and
- (e) any other amounts payable under these Rules by the Member or from the Member's Benefit Account.

## **2.6 Death, Invalidity, and Temporary Salary Continuance Benefit Management Reserve**

2.6.1 There is required to be credited to the Death, and Temporary Salary Continuance Benefit Management Reserve, the amounts of Basic Death Premium or Temporary Salary Continuance Premium debited to Members' Benefit Accounts under these Rules.

2.6.2 There is required to be debited to the Death, and Temporary Salary Continuance Benefit Management Reserve, any payment of Basic Death or Temporary Salary Continuance or any management costs associated with the provision of Basic Cover.

## **2.7 Insured Benefit Account**

*[amended by Deed of Amendment No [23] operative 19/9/05]*

2.7.1 If the Trustee offers Insured Benefits, it is required to establish and maintain an Insured Benefit Account in respect of this Division.

2.7.2 There is required to be credited to the Insured Benefit Account:

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- (a) the amounts of Insured Benefit Premiums debited to Members' Benefit Accounts under these Rules;
  - (b) any charge levied by the Trustee in respect of the Insured Benefit; and
  - (c) Insured Benefit paid to the Trustee by an insurer under a contract of insurance.

2.7.3 There is required to be debited to the Insured Benefit Account:

- (a) any Insured Benefit Premiums payable to an insurer under a contract of insurance;
- (b) any management or other costs associated with the provision of the Insured Benefit for which the Trustee has determined to strike a levy under rule 2.7.2(b); and
- (c) any Insured Benefit, excluding a Total Disability Benefit, paid to Members.

*[amended by Deed of Amendment No [23] operative 19/9/05]*

## **2.8 Other accounts and reserves and Asset Portfolios**

2.8.1 The Trustee may establish and maintain in respect of this Division such other accounts and reserves as, in the opinion of the Trustee, are necessary or convenient for the administration of this Division and these Rules.

2.8.2 Without limiting subrule 2.8.1, the Trustee may establish separate Asset Portfolios, comprising assets in respect of this Division allocated by the Trustee, for the purposes of this Division.

2.8.3 On the establishment of this Division, the initial Asset Portfolios established by the Trustee are:

- (a) Cash Plus;
- (b) Capital Guarded;
- (c) Balanced;
- (d) Diversified; and
- (e) High Growth.

2.8.4 A Member may, at any time, elect to have the Member's Benefit Account treated, for the purpose only of allocating Division earnings, as being invested as part of one or more particular Asset Portfolios nominated by the Trustee to the Member. The Member may elect to vary or revoke any such election.

2.8.5 Where no election has been made by a Protected Member in accordance with subrule 2.8.4, the Trustee shall treat the Member's Benefit Account as being invested in the Cash Plus Portfolio.

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Where no election has been made by a Member who is not a Protected Member in accordance with subrule 2.8.4, the Trustee shall treat the Member's Benefit Account as being invested in such Portfolio as the Trustee considers appropriate and may take into account the Member's age in determining the appropriate Portfolio.

2.8.6 An election made in accordance with subrule 2.8.4 shall take effect on the day that is five working days after the day the election is received by the Trustee or such later date as may be specified in the election. However, where an election is received prior to the day that Contributions are first credited to the account of the Member making the election, the election is to take effect on that day.

2.8.7 The Trustee may determine the applicable fee per election. If none has been determined by the Trustee, then a default fee of \$20.00 per election shall apply to all elections made in accordance with subrule 2.8.4 other than:

- (a) the first election made by a Member; and
- (b) the first subsequent election made by that Member in each period of 12 months ended 30 June.

2.8.8 For the purposes of these Rules, the *investment earning rate* of each particular Asset Portfolio shall be the rate declared by the Trustee in respect of that Asset Portfolio for any given period.

2.8.9 For the purposes of adjusting accounts and reserves, other than Member Benefit Accounts, the Trustee shall treat those accounts and reserves as being invested:

- (a) where those accounts and reserves comprise Contributions received in respect of Members which the Trustee has, for any reason, been unable to allocate to Members' Benefit Accounts, in such Asset Portfolio or Portfolios as may be considered appropriate by the Trustee, as long as no such account or reserve is to be treated as having been wholly invested in either the Cash Plus Asset Portfolio or the High Growth Asset Portfolio; and

- (b) in any other case, in the Cash Plus Asset Portfolio.

2.8.10 The Trustee is to determine, for the purpose only of allocating earnings under this Division, the parts of an account or a reserve to be treated as being invested in a particular Asset Portfolio or Portfolios.

## **2.9 Adjustment of Accounts and reserves for interest**

2.9.1 The Trustee may, from time to time, adjust each of the Accounts and reserves established under these Rules at a rate or rates fixed by the Trustee, having regard to the income in respect of this Division and the earnings, as determined by the Trustee, of any Asset Portfolio or Portfolios in which the Accounts or reserves or parts of them are treated as being invested and such other matters as the Trustee considers relevant.

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2.9.2 The Trustee may, for the purpose of adjusting a Members Benefit Account before paying out the balance at credit in the Account, fix a rate for that purpose only.

2.9.3 In adjusting Accounts or reserves under this rule 2.9, the Trustee may fix different rates for Accounts or reserves, or parts of Accounts or reserves, that are treated as being invested in different Asset Portfolios.

2.9.4 For the purpose of adjusting Accounts and reserves, the Trustee may allocate any income in respect of this Division, or any losses, as being attributable to a particular Asset Portfolio or Portfolios, as it thinks fit.

## **2.10 General Management Account**

2.10.1 The Trustee is required to establish and maintain a General Management Account.

## **2.11 Costs which may be charged to General Management Account**

2.11.1 Management costs incurred by the Trustee in the administration or execution of these Rules, are to be charged against the General Management Account or such other account as the Trustee may determine.

2.11.2 Management costs incurred in investing this Division and managing any such investment are to be paid from the income from investment under this Division.

## **2.12 How other costs may be paid**

2.12.1 Management costs incurred by the Trustee other than those incurred in investing this Division and managing any such investment are to be paid from the Members' Benefit Accounts, at such times and in such amounts or at such a rate as may be determined by the Trustee.

2.12.2 Management costs associated with the provision of Basic Cover or Additional Insured Benefit Cover may be levied separately by the Trustee from the accounts of Members' with such cover at rates and times determined by the Trustee.

2.12.3 The Trustee may require a Division N Employer to pay to this Division the management costs, as determined by the Trustee, arising out of the failure of the Division N Employer to provide information or evidence required to be provided under these Rules, or the failure of the Division N Employer to provide accurate information required to be provided under these Rules.

## **2.13 The Trustee must deduct Tax liabilities from Members' Accounts**

2.13.1 Whenever the Trustee has paid (or is liable to pay) an amount of Tax in respect of a Division N Employer's Contributions to a Member's Benefit Account under this Division, the Trustee is required to debit to the Account the amount of any such Tax.

## **2.14 Fees and Charges**

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- 2.14.1 All fees and charges prescribed under these Rules are, subject to subrule 2.3.9, to be debited to the Benefit Accounts of the Members to whom those charges apply in such manner and at such times as are set out in these Rules and the amounts so debited are to be transferred to the General Management Account established in accordance with rule 2.10.
- 2.14.2 The Trustee is to determine the Management Charges to apply from time to time.
- (a) In determining the Management Charges the Trustee is take into account all costs charges and Tax and its fees not taken into account in any Unit pricing (if any).
- (b) Management Charges determined in accordance with paragraph (a) is payable by each person in respect of whom an account is maintained during the whole or part of the month to which that charge is applicable and is to be debited:
- (i) where only one sub-account is maintained, to that sub-account; or
- (ii) in any other case, progressively to:
- (1) the compulsory employer contribution sub-account;
- (2) the optional employer contribution sub-account; and
- (3) the optional employee contributions sub-account,
- (until the full charge is debited to the Member's Benefit Account.)
- 2.14.3 The Trustee may determine the applicable fee for each payment of Benefit under the provisions of rule 11.1 and 11.2. If none has been determined by the Trustee, then a default fee of \$20.00 per payment of Benefit shall apply.
- 2.14.4 The Trustee may set one or more fees or charges to be deducted from Member Accounts. The setting and deduction of such fees or charges is subject to the Superannuation Law as it applies to protected members and lost members.
- 2.14.5 Any fees, costs or charges set without regard to GST may be increased by any GST payable.

*[Clause 3 titled "Units" deleted by Deed of Amendment No. 25 operative 1/7/07]*

## **3 EMPLOYERS**

### **3.1 Admission of Division N Employer**

- 3.1.1 The Trustee may, in its absolute discretion, admit as a Division N Employer, an employer who consents to be bound by the terms of this Division and the Trust Deed.
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3.1.2 The industries from which a Division N Employer may come from may be limited by the Trustee from time to time.

### **3.2 Division N Employer to Provide Information**

3.2.1 Every Division N Employer in respect of its employees shall submit:

- (a) the Minimum Information; and
- (b) all other information as may be reasonably required by the Trustee.

### **3.3 Removal Of Employers**

3.3.1 The Trustee in its absolute discretion, may at any time by notice in writing remove a Division N Employer.

3.3.2 A Division N Employer may give the Trustee 30 days notice in writing of its intention to cease its participation in the Fund and at the end of the 30 days it will cease to be a Division N Employer.

## **4 MEMBERS OF THE DIVISION**

### **4.1 Admission of Members**

4.1.1 The Trustee may make arrangements with a Division N Employer regarding the terms on which its employees are to be admitted to membership of the Division.

4.1.2 Each Member is bound by the terms of this Division and the Deed.

4.1.3 A Member shall be deemed to have authorised the Division N Employer to deduct from his or her salary or wages the contributions (if any) which the Member has agreed to make to the Division.

### **4.2 Members under this Division**

4.2.1 An employee admitted to Membership under this Division is a Full Member, unless the employee is excluded from Full Membership under rule 4.3 or elects to make other arrangements under rule 4.4. A transferred member is taken to have the class of membership and to have made any election for the purposes of this Division as that transferred member had prior to the transfer to this Division and any other arrangement in place in respect of a transferred member prior to transfer shall be taken to have continued until varied or revoked.

4.2.2 An employee under this Division who is not a Full Member may become an Optional Member by making an election under rule 6.1 and, on making such an election, continues to be an Optional Member while the election is in force.

4.2.3 A person who has ceased to be a Full Member or an Optional Member under this Division and who has a Preserved Benefit under this Division, or being a Full or

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Optional Member is prevented by Superannuation Law or Rule 9.1 from contributing under this Division, is an Inactive Member under this Division.

### **4.3 Employees who are excluded from being Full Members**

4.3.1 An employee who has not contributed to this Division, or whose Division N Employer has not contributed to this Division in respect of the employee, and who is an employee in respect of whom the Trustee must not accept Contributions under Superannuation Law would not be considered as a Full Member under this Division.

### **4.4 Members may make other arrangements**

4.4.1 A Full Member may notify the Member's Division N Employer that the Division N Employer is to meet the Division N Employer's obligations in respect of the Member under the *Superannuation Guarantee (Administration) Act 1992* by contributing to another complying superannuation fund. The Member ceases to be a Full Member under this Division on the date written notice is given to the Trustee by the Division N Employer of the contributions to that other fund, or on the date of commencement of those contributions, whichever is the later.

4.4.2 However, the Member may elect to make Contributions under rule 6.1 and is an Optional Member of the Division on any such election taking effect and while the election is in force.

4.4.3 A Division N Employer must give written notice to the Trustee if the Division N Employer ceases to meet the Division N Employer's obligations in respect of an employee under the *Superannuation Guarantee (Administration) Act 1992* in the manner referred to in subrule 4.4.1 and, on such notice being given, the employee ceases to be a Full Member under this Division.

### **4.5 Spouse Contributions**

The Spouse of a Member may become an Optional Member if the employee makes an election under rule 6.1 to contribute to this Division on behalf of his or her Spouse and his or her Spouse continues to be an Optional Member while the election is in force.

### **4.6 Family Law Orders/Agreement**

Where a Family Law Spouse Amount is required to be dealt with in accordance with Family Law, the Member's Account will be debited with the amount and the amount credited to the account of the Family Law Spouse or transferred in accordance with the directions of the Family Law Spouse to an Eligible Fund.

## **5 CONTRIBUTIONS BY EMPLOYERS**

### **5.1 Compulsory Division N Employer contributions**

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- 5.1.1 A Division N Employer must pay to the Trustee no later than 14 days after the end of each month, for each Full Member of this Division employed by the Division N Employer, an amount equal to the Superannuation guarantee amount or such greater rate specified by the Division N Employer for that Member.
- 5.1.2 The Trustee shall have no obligation whatsoever to take follow up action or any action to enforce payment of any contributions a Division N Employer has agreed to pay that are not paid on time or at all.
- 5.1.3 A Division N Employer's liability under this rule 5.1 to make Contributions in respect of a Full Member commences when the Member becomes a Full Member and ceases when the Member ceases to be a Full Member.
- 5.1.4 Notwithstanding rules 5.1.1 and 5.1.2, a Division N Employer is not required to pay to the Trustee contributions in respect of an employee where the employee has provided a notice that complies with section 19(4)(b) of the *Superannuation Guarantee (Administration) Act 1992* and such notice remains validly in force.
- 5.1.5 Division N Employers admitted to participate in this Division are only permitted to participate in respect of this Division N and are not Division N Employers for the purposes of any other Division of the Scheme.

## **5.2 Payment of Basic Death Premium or Temporary Salary Continuance Premium**

- 5.2.1 Payment of the Basic Death Premium or Temporary Salary Continuance Premium for a Member covered for the Basic Death Benefit or Temporary Salary Continuance Benefit is to be made in respect of the Member at such times as may be determined by the Trustee and is to be made by transfer from the Member's Account.
- 5.2.2 Payment is not to be made from the account of a Member whose cover for:
- (a) Basic Death Benefit has ceased in accordance with 7.4.3;
  - (b) Temporary Salary Continuance Benefit has ceased in accordance with 7.4.2.

## **5.3 Optional employer contributions**

- 5.3.1 An employee who is a Full Member may at any time elect, with the consent of the Division N Employer, to have contributions made to this Division by the employee's Division N Employer in addition to the compulsory contributions payable by the Division N Employer under this Division.
- 5.3.2 The additional contributions may, but need not, be made as part of the total remuneration payable in respect of the Full Member.
- 5.3.3 An employee who is not a Full Member may at any time elect, with the consent of the employee's Division N Employer, to have contributions made to this Division by the employee's Division N Employer as part of the total remuneration payable
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in respect of the Member. On any such election taking effect, and while it is in force, the employee is an Optional Member under this Division.

- 5.3.4 An election is to be made by lodging with the Trustee an election in a form approved by the Trustee and is to be accompanied by such information as the Trustee may require.
- 5.3.5 A Division N Employer may not make contributions to the Division in respect of an Optional Member.
- 5.3.6 An election by an employee to have contributions made to this Division by the employee's employer takes effect not later than on the day determined under the rules made by the Trustee for the purposes of this rule.
- 5.3.7 An election ceases to be in force (to the extent to which it specifies the amount of any contributions) if a variation of contributions takes effect or on notification by the Member to the Trustee that the contributions are to cease to be made.

#### **5.4 Rules as to payment of compulsory employer contributions**

- 5.4.1 For the purposes of rule 5, *contribution period* means a Month or such other period as may be agreed between the Trustee and an individual Division N Employer.
- 5.4.2 Compulsory employer contributions for a contribution period must be paid at such times as the Trustee may require.
- 5.4.3 With each payment of compulsory employer contributions by a Division N Employer, the Division N Employer must forward to the Trustee, in a form approved by the Trustee, details of the compulsory employer contributions payable in respect of each employee.
- 5.4.4 In addition to subrule 5.4.3, where an employee has not previously been reported to the Trustee as having received salary or wages from the Division N Employer concerned, the Division N Employer is to provide the Trustee with such details as may be required by the Trustee in respect of that employee.
- 5.4.5 Where a Division N Employer is required, in accordance with rule 4.4, to notify the Trustee of the commencement or cessation of compulsory employer contributions to another complying superannuation fund, such notice is to be in a form approved by the Trustee and provided to the Trustee at such time as the Trustee may require.

#### **5.5 Rules as to payment of optional employer contributions**

- 5.5.1 For the purpose of determining the payment period of any optional employer contributions:
- (a) the Trustee may approve an arrangement for the payment of optional employer contributions; and
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- (b) if the Trustee for any reason does not approve such an arrangement, any optional employer contributions must be treated as being payable on the last day of the contribution period in which the optional employer Contribution is received by the Trustee.

5.5.2 With each payment of optional employer contributions by a Division N Employer, the Division N Employer must forward to the Trustee, in a form approved by the Trustee, details of the optional employer contributions payable in respect of each employee.

## **5.6 Failure of Division N Employer to pay contributions**

5.6.1 The Trustee may charge collection costs and interest at a reasonable rate as determined from time to time by the Trustee on any amount not paid by a Division N Employer at such time as the Trustee may require.

# **6 CONTRIBUTIONS BY EMPLOYEES**

## **6.1 Optional employee contributions**

6.1.1 A Full Member may at any time elect to make Contributions under this rule 6.

6.1.2 An employee who is not a Full Member may at any time elect to make Contributions to this Division and on any such election taking effect, and while it is in force, is an Optional Member under this Division.

6.1.3 An election is to be made by lodging with the Trustee an election in a form approved by the Trustee and is to be accompanied by such information as the Trustee may require.

## **6.2 When does election to contribute take effect?**

6.2.1 An election by a Member to make Contributions to this Division takes effect on a date agreed between the Member and the Trustee.

6.2.2 An election ceases to be in force (to the extent to which it specifies the amount of any Contributions) if a variation of Contributions takes effect or on notification by the Member to the Trustee that the Member is to cease to contribute to this Division.

## **6.3 Rules as to payment of optional employee contributions**

6.3.1 Any employee may elect at any time to make optional employee contributions by way of payroll deductions, by transfer from another financial institution (including another complying superannuation fund or approved deposit fund) or by direct payment from the employee to the Trustee.

6.3.2 If an employee elects to make Contributions by way of payroll deductions:

- (a) the election must:
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- (i) specify the amount of the Contribution payable for each contribution period;
  - (ii) be in a form approved by the Trustee;
  - (iii) be lodged with the Division N Employer and the Trustee; and
  - (iv) authorise the Division N Employer to deduct the amount specified in the election from the employee's pay each pay day until such time as the election is revoked or varied; and
- (b) the Contribution for a contribution period must be deducted and paid by the Division N Employer at such time as the Trustee may require.

6.3.3 An election to make optional employee contributions by means other than by payroll deduction is to be lodged with the Trustee in a form approved by the Trustee

#### **6.4 Contributions may be varied**

6.4.1 A Member may from time to time, by notice in writing to the Trustee, vary the amount of Contributions to be paid to this Division by the Member.

#### **6.5 Contributions for Spouses**

6.5.1 A Member may at any time elect to make contributions to this Division on behalf of the Member's Spouse, excluding Same-sex partner, and on any such election taking effect, and while it is in force, the Spouse is an Optional Member under this Division.

6.5.2 A Member can only make and the Trustee may only accept contributions to this Division on behalf of the Member's Spouse if the contributions are Eligible Spouse Contributions.

6.5.3 The Trustee may make rules for or with respect to the qualifications for Spouses on behalf of whom elections under rule 6.5 may be made and the payment periods for and manner of payment of contributions on behalf of such Spouses.

6.5.4 A Member who has elected to contribute on behalf of the Member's Spouse, may from time to time, by notice in writing to the Trustee, vary the amount of contributions to be paid to this Division by the Member or on behalf of the Member's spouse.

## **7 BASIC COVER**

### **7.1 Commencement of cover**

7.1.1 Basic Cover does not apply until the earliest of:

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- (a) the first day of the month following the month in which the balance of the Member's Benefit Account first becomes \$1,000 or such other amount determined by the Trustee;
  - (b) the day specified in a notice given by the Member to the Trustee in a form approved by the Trustee; or
  - (c) the day specified by the Trustee in respect of a Member who transferred from another Complying Fund and who complies with the requirements of 7.1.5 and any other requirements specified by the Trustee.

7.1.2 For Basic Cover to commence, a Full Member must be At Work and performing Full Normal Duties with their Division N Employer at the date that Basic Cover is due to commence under these Rules.

7.1.3 A Member shall be eligible for Basic Cover on becoming a Full Member and, shall be liable for payment of premiums in accordance with subrule 7.3.

7.1.4 The Trustee may in its absolute discretion create additional rules in relation to this Division.

7.1.5 A Full Member transferring from a superannuation fund approved by the Trustee will be entitled to Basic Cover if the balance of the Member's Account is equal to or greater than the amount determined by the Trustee for the purposes of the transfer.

## **7.2 Single entitlement**

7.2.1 Each Member shall have a single entitlement to Basic Cover irrespective of whether they may hold multiple Member Accounts.

## **7.3 Premium payable**

7.3.1 The Basic Death Premium or Temporary Salary Continuance Premium payable by each Member covered for the Basic Death Benefit or Temporary Salary Continuance Benefit is as follows:

- (a) \$2.20 per week for Basic Death Cover or such other amount as the Trustee requires per week for each week (whether whole or part) during which cover applies;
- (b) \$1.20 per week for Temporary Salary Continuance Cover or such other amount as the Trustee requires per week for each week (whether whole or part) during which cover applies.

## **7.4 Cessation of cover**

7.4.1 Where Basic Cover is insured, the amount of the Basic Death or Temporary Salary Continuance Benefit is not to be more than the amount received by the Trustee from any person providing cover for the Basic Death Benefit or Temporary Salary Continuance Benefit.

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7.4.2 A Full Member's cover for Temporary Salary Continuance Benefit ceases to be in force on the first to occur of:

- (a) an election made by the Member to the Trustee that the Trustee is to cease to provide for the cover;
- (b) the Member ceasing to be a Full Member;
- (c) the date the Member ceases employment with their Division N Employer;
- (d) where a Member has received payment of a Temporary Salary Continuance Benefit for the complete 24 month benefit period for a specific illness or injury;
- (e) the date the balance of the Member's Account is less than the amount determined by the Trustee;
- (f) the date the Member is overseas for greater than 6 months;
- (g) the date the Member commences active duty in the armed forces of any country;
- (h) the date the member is on leave without pay for greater than 12 months; or
- (i) the date the Member turns age 65.

7.4.3 A Full Member's cover for Basic Death Benefit ceases to be in force on the first to occur of:

- (a) the date the balance of the Member's Account is less than the amount determined by the Trustee;
- (b) the date the Member withdraws their benefits from the Scheme;
- (c) the date the Member leaves Australia permanently;
- (d) the date the Member reaches age 71; or
- (e) the date the Member joins the defence forces of any country other than the Australian Defence Force Reserves.

7.4.3A A Member ceases to be a Full Member when he or she ceases to be employed by an Employer or as otherwise provided for in these rules.

*[amended by Deed of Amendment No [23] operative 19/9/05]*

7.4.3B All cover for Basic Death Cover ceases on the date that is the commencement date of the first policy to provide Basic Insured Death Cover.

*[amended by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

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7.4.3C All cover for Temporary Salary Continuance Benefits ceases on the date that is the commencement date of the first policy to provide Total Disability Benefits.  
*[amended by Deed of Amendment No [23] operative 19/9/05]*

## **7.5 Exclusions**

7.5.1 Temporary Salary Continuance Cover for an Optional Member is excluded.

7.5.2 A Temporary Salary Continuance Benefit is not payable in the event that a Full Member is Temporarily Totally Disabled as a result of:

- (i) Normal Pregnancy or Childbirth; or
- (ii) War; or
- (iii) Temporary Total Disablement is caused by an act or default of the Member intended to produce that disablement.

7.5.3 Despite any other provision of this rule 7 a Member is not entitled to be covered for:

- (a) Basic Death Benefit or Temporary Salary Continuance Benefit if the Member has previously elected under this rule 7 not to be so covered; or
- (b) Temporary Salary Continuance Benefit if the Member has previously received a permanent invalidity benefit of any kind under a superannuation scheme.

## **7.6 Scope of Insured Basic Cover**

7.6.1 Where Basic Cover is insured, the amount of the Basic Death or Temporary Salary Continuance Benefit is not to be more than the amount received by the Trustee from any person providing cover for the Basic Death Benefit or Temporary Salary Continuance Benefit.

## **8 INSURED BENEFIT COVER**

*[amended by Deed of Amendment No [23] operative 19/9/05]*

### **8.1 Members eligible to apply for Insured Benefit Cover**

8.1.1 If the Trustee has made provision for an Additional Insured Benefit a Member may apply to be covered, or to increase the level of cover, for a component of the Additional Insured Benefit, provided that the Member is eligible to apply for the cover under the contract between the Trustee and the insurer and provided that the contract permits the combination of components selected by the Member.

#### **8.1A Level of Benefits**

*[inserted by Deed of Amendment No [23] operative 19/9/05]*

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8.1A.1 The Trustee shall take out Basic Insured Death Cover, Total Disability Benefit Cover and any other insurance cover as it determines, subject to the terms of such insurance policy or policies taken out.

*[amended by Deed of Amendment No [28] operative 1/8/09]*

**8.1B Payment of Basic Insured Death Cover and Total Disability Benefit Cover Premiums**

*[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

8.1B.1 Payment of the Basic Insured Cover Premium for a Member covered for Basic Insured Death Cover and Total Disability Benefit Premium for Total Disability Benefit Cover is to be debited to the Member's Account.

*[amended by Deed of Amendment No [28] operative 1/8/09]*

**8.1C Amount of Basic Insured death Cover and Total Disability Benefit Cover Premiums**

*[inserted by Deed of Amendment No [23] operative 19/9/05; deleted by Deed of Amendment No [28] operative 1/8/09]*

**8.2 Applications for Insured Benefit Cover**

8.2.1 An application is to be made by lodging with the Trustee an application in a form approved by the Trustee, is to nominate the amounts of cover for the components of cover sought by the Member and is to be accompanied by such information as may be required.

8.2.2 A Member who applies for Additional Insured Benefit Cover must submit to any medical examination or examinations as may be required by the insurer contracted by the Trustee and must provide such medical reports, evidence and information as are required by that insurer.

8.2.3 Upon approval of an application for cover for the Additional Insured Benefit, such cover shall take effect on the day advised by the insurer and the premiums applicable to that cover shall be payable as from that date.

**8.3 Commencement of Insured Benefit Cover**

8.3.1 Any insurance in respect of a person will not commence until:

- (a) if required, the Member and the Division N Employer have provided all information required by the insurer;
- (b) the insurer is satisfied that all of the insurer's requirements are met for the cover; and
- (c) in the case of Additional Insured Benefits, the insurer has notified the Trustee of the terms and amounts of cover.

*[amended by Deed of Amendment No [23] operative 19/9/05]*

8.3.2 Subsequent to subrule 8.3.1, cover will commence on the date or dates required under the insurance policy or policies relevant to the type of cover.

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## **8.4 When Insured Benefit Cover ceases**

8.4.1 Any insurance cover shall cease:

- (a) in accordance with the terms contained in the policy or policies of insurance with the insurer;
- (b) on the Trustee determining that it is not reasonably practicable to obtain or renew a policy of insurance on terms acceptable to the Trustee;
- (c) the insurer for any reason terminates a policy of insurance, or terminates the cover for the Member; or
- (d) the amount standing to the credit of a Member's Account is less than the minimum required from time to time by the Trustee or is insufficient to pay the costs attributable to that Member of providing that cover.

8.4.2 An Insured Benefit is payable under these Rules to or in respect of a Member if the Member is covered and the insurer is satisfied that the Member meets the conditions for payment of that benefit set out in the contract between the Trustee and the insurer.

## **8.5 Scope of Insured Benefit Cover**

8.5.1 Any Insured Benefit Cover shall be subject to the terms of the applicable Policy.

8.5.2 No payment shall be required to be made in respect of a Member in satisfaction of any insurance cover that is greater than the amount received by the Trustee under the Policy in respect of that Member after deduction of all administration charges and expenses and taxes attributable to that amount.

8.5.3 The Trustee has no duty:

- (a) to effect insurance cover;
- (b) to increase insurance cover; or
- (c) to maintain any insurance policy.

8.5.4 The amount of any insurance cover shall be adjusted where appropriate where there is an error in the age, sex or other details of the Member the subject of the insurance cover.

## **9 ACCEPTANCE OF CONTRIBUTIONS**

### **9.1 Rules as to acceptance of Contributions**

9.1.1 The Trustee will not accept contributions for a Member where:

- (a) superannuation law does not permit the Trustee to accept such contributions; or
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(b) the Trustee determines not to accept contributions of a particular type.

9.1.2 Despite any other provisions of these Rules, an employee shall not become a Member where the Trustee is not permitted to accept contributions for that Member or determines not to accept contributions for that Member.

## 10 BENEFITS

### 10.1 Amount of Benefit generally

10.1.1 The Benefit payable to or in respect of a Member under these Rules is an amount equal to the balance at credit in the Member's Benefit Account at the time the Benefit is paid, except as provided by or under these Rules.

### 10.2 Amount of Death Benefit or Temporary Salary Continuance Benefit

10.2.1 Where Basic Death Benefits applies, the amount of the Death Benefit payable to or in respect of a Member under these Rules is:

*[amended by Deed of Amendment No [23] operative 19/9/05]*

- (a) the balance at credit in the Member's Benefit Account, which does not include any proceeds payable in respect of Basic Cover;
- (b) the amount of the Basic Death Benefit for the Member calculated in accordance with subrule 10.3 as at the time the Member dies; and
- (c) the amount of the Additional Insured Benefit, if any.

10.2.2 Where Temporary Salary Continuance Benefits applies, the amount of Temporary Salary Continuance Benefit payable to or in respect of a Full Member under these Rules is the amount calculated in accordance with subrule 10.3.

*[amended by Deed of Amendment No [23] operative 19/9/05]*

### 10.3 Benefit Entitlements

10.3.1 The Trustee may specify the benefit entitlements of Members from time to time and if none are specified then the following benefit entitlements will apply to Members:

Age Next Birthday	Basic Death Benefit (\$)	Maximum Temporary Salary Continuance Benefit * (\$ per month)
60 or less	92,000	1,000
61	90,000	1,000
62	88,000	1,000
63	86,000	1,000
64	83,000	1,000

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65	80,000	1,000
66	70,000	0
67	60,000	0
68	50,000	0
69	40,000	0
70	30,000	0
71	20,000	0
Over 71	0	0

The Temporary Salary Continuance Benefit is limited to the maximum benefit of \$1,000 per month or 75% of salary or wages (average of the last 3 months with the Division N Employer), whichever is the lesser of the two. The Temporary Salary Continuance Benefit commences at the end of 3 months after a Full Member becomes Temporarily Totally Disabled. The Temporary Salary Continuance Benefit reduces by the amount of any payment received or receivable because of a Member's disability, such as sick leave, workers compensation, accident compensation or similar law, any government benefit (for example pension or sickness benefit), payments from an insurance policy or another superannuation fund or any other amount that the Trustee specifies from time to time.

#### 10.4 Amount of Basic Insured Death Cover

*[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

- 10.4.1 The amount payable on death of a Full Member who is entitled to be paid a benefit under Basic Insured Death Cover is the sum of:
- (a) the balance at credit in the Member's Benefit Account, which does not include any proceeds payable in respect of Basic Insured Death Cover; and
  - (b) any proceeds payable in respect of Basic Insured Death Cover.

*[replaced by Deed of Amendment No [28] operative 1/8/09]*

*10.4.2 [deleted by Deed of Amended No [28] operative 1/8/09]*

- 10.4.3 Cover for the Basic Insured Death Cover ceases to be in force:

*[replaced by Deed of Amendment No [28] operative 1/8/09]*

- (a) on written election by the Member to the Trustee that cover is to cease; or
- (b) in accordance with rule 8.4.1.

- 10.4.4 Despite any other provision of this rule 10.4, a Member is entitled to not more than one amount of the insured benefit under subrule 10.4.1(b).

#### 10.4A Amount of Total Disability Benefits

- 10.4A.1 The amount payable on Total Disability of a Full Member who is entitled to be paid a benefit under cover for a Total Disability Benefit is the proceeds payable under the Total Disability Benefit cover.

*[replaced by Deed of Amendment No [28] operative 1/8/09]*

*10.4A.2 [deleted by Deed of Amendment No [28] operative 1/8/09]*

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10.4A.3 Cover for the Total Disability Benefit ceases to be in force:

*[replaced by Deed of Amendment No [28] operative 1/8/09]*

- (a) on written election by the Member to the Trustee that cover is to cease; or
- (b) in accordance with rule 8.4.1.

10.4A.4 Despite any other provision of this rule 10.4A, a member is entitled to not more than one amount of the insured benefit under subrule 10.4A1.

*[inserted by Deed of Amendment No [28] operative 1/8/09]*

## **11 PAYMENT OF BENEFITS**

### **11.1 When is a Benefit or Preserved Benefit payable?**

The Benefit (including a Preserved Benefit) payable under these Rules is payable by the Trustee to or in respect of a Member in the circumstances in which a Benefit is payable for the purpose of complying with Superannuation Law.

### **11.2 When is a Basic Death Benefit payable under these Rules?**

11.2.1 The Basic Death Benefit payable under these Rules is payable to or in respect of a Member who has Basic Death Cover if the Member dies.

### **11.3 When is a Temporary Salary Continuance Benefit payable under these Rules?**

11.3.1 The Temporary Salary Continuance Benefit is payable under these Rules where the Trustee is satisfied that the Member has Temporary Salary Continuance Cover and is Temporarily Totally Disabled (and that the Temporary Total Disablement is not caused by any act or default of the Member intended to produce that disablement) and continues until the Member ceases to be Temporarily Totally Disabled.

### **11.4 When is an Additional Insured Benefit payable under these Rules?**

11.4.1 An Additional Insured Benefit is payable if the Insurer accepts that the terms of the policy providing that benefit are satisfied and the Trustee is satisfied that the Member is entitled to the benefit.

### **11.5 Establishing Permanent Incapacity**

11.5.1 A Member shall not be treated as having permanent incapacity or permanent invalidity unless and until:

- (a) in the case where there is no insurance, the Member has supplied the Trustee with such medical and other evidence as the Trustee requires to satisfy itself that the Member is permanently incapacitated or permanently invalid;
  - (b) in the case where there is insurance, the Member has supplied the Trustee with such medical and other evidence as the Insurer requires
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to satisfy itself that the Member is permanently incapacitated or permanently invalid.

## **11.6 Payment on Compassionate Grounds**

11.6.1 The Trustee may, on the application of a person who has preserved a Benefit in the Division, and who is not otherwise entitled to be paid a Benefit under this Division, pay the person a Benefit:

- (a) on the grounds of the person's severe financial hardship; or
- (b) on compassionate grounds.

11.6.2 The Trustee may only pay the Benefit if the Trustee is satisfied that the circumstances are such that a Benefit would be payable on the grounds of severe financial hardship or compassionate grounds as the case may be.

11.6.3 The amount of the Benefit:

- (a) is not to exceed the amount that is permitted to be paid on the applicable ground, and
- (b) The amount of the Benefit is not to exceed the amount of the balance at credit in the Member's account in this Division when the Benefit is paid.

## **11.7 Evidence of Entitlement**

11.7.1 As a precondition to payment, the Trustee may require the payee of any benefit to produce satisfactory evidence of his or her entitlement and to execute documents and do other things reasonably required by the Trustee. Payment of the benefit payable in respect of a Member to the person entitled will discharge the Trustee and satisfy that Member's rights under the Trust.

## **11.8 Establishing Temporary Total Disablement**

11.8.1 A Member shall not be treated as Temporarily Totally Disabled unless and until:

- (a) in the case where there is no insurance, the Member has supplied the Trustee with such medical and other evidence as the Trustee requires to satisfy itself that the Member is Temporarily Totally Disabled;
- (b) in the case where there is insurance, the Member has supplied the Trustee with such medical and other evidence as the Insurer requires to satisfy itself that the Member is Temporarily Totally Disabled.

## **11.9 Payment of Benefit where Member is dead**

11.9.1 A Benefit payable in respect of a Member who has died is payable in accordance with clause 14.17A

*[amended by Deed of Amendment No [24] operative 24/10/05]*

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## **11.10 Scope of insurance cover**

*[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]*

- 11.10.1 No payment shall be required to be made in respect of a Member in satisfaction of any insurance cover that is greater than the amount received by the Trustee under the policy in respect of that Member after deduction of all administration charges expenses and taxes attributable to that amount.
- 11.10.2 If a Member is not satisfied with the amount of the Insured Benefit calculated and paid by the insurer pursuant to the relevant insurance policy or has any complaint in respect of the Insured Benefit, the Trustee shall provide to the Member all information deemed necessary by the Trustee to enable the Member to seek recourse from the insurer. The Trustee shall not otherwise be responsible for the Member's dissatisfaction or complaint in respect of the Insured Benefit other than to take such reasonable steps in relation to any declinature as the group insured in any relevant insurance policy.

## **12 OTHER ADJUSTMENTS OF ACCOUNTS AND RESERVES**

The Trustee may, from time to time, adjust any of the accounts and reserves established under this Division as it thinks appropriate for the purposes:

- (a) to reflect a change in circumstances,
- (b) to correct mistakes relating to amounts credited or debited to the accounts or reserves,
- (c) to reflect changes in the law applicable to the accounts or reserves.

## **13 TRUSTEE FEES**

The Trustee is entitled to charge fees for its services to the Division.

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