
Participation Schedule

1 Status of Participation Schedule

- (a) This Participation Schedule is subject to Division A except where a Clause of Part 4 provides or requires otherwise.
- (b) This Participation Schedule overrides the provisions of Division AA of the Rules to the extent of any conflict.

2 Status of Parts

2.1 Application of Parts

- (a) This Participation Schedule is divided into five Parts: the General Part and Parts 1, 2, 3 and 4.
- (b) The General Part applies to Category WB and, WLAS Members.
- (c) Part 1 applies to Category D Members.
- (d) Part 2 applies to Category WB and WLAS Members.
- (e) Part 3 applies to Category WB Members
- (f) Part 4 applies to Category WLAS Members.

2.2 Overriding effect of General Part

If there is a conflict between a Clause of the General Part and a Clause of Part 2, 3 or 4, that Clause of the General Part prevails to the extent of the conflict (except where a Clause of Part 2, 3 or 4 provides that it overrides the General Part).

3 Commencement Date

The Commencement Date is the date of the Participation Agreement or such later date as is agreed between the Trustee and the Employer.

4 Employer

For the purposes of the Participation Agreement, the Employer at the Commencement Date is Yarra Valley Water Limited.

5 Definitions

A word or expression which is defined in the Rules or the Participation Agreement has, when used in this Participation Schedule, the meaning given to it under the Rules or the Participation Agreement, except as follows:

“Clause” means a Clause of the Part in which the reference to the Clause is made, unless stated otherwise. For the avoidance of doubt, a Clause does not mean a clause of the Participation Agreement that is not a Clause in the Participation Schedule. **“Clauses”** has a corresponding meaning.

“General Part” means the General Part of this Participation Schedule.

“Member” means a member of the Fund to whom this Participation Schedule applies at the relevant time.

“Part 1” means Part 1 of this Participation Schedule.

“Part 2” means Part 2 of this Participation Schedule.

“Part 3” means Part 3 of this Participation Schedule.

“Part 4” means Part 4 of this Participation Schedule.

6 Amendments to this Participation Schedule

Amendments to this Participation Schedule may be made only in compliance with Rule A12, as if the Participation Schedule formed part of the Rules.

General Part

1 Preliminary

1.1 Application of this General Part

The provisions of this General Part apply to Category WB and WLAS Members.

1.2 Application of Division AA of the Rules

The provisions of Division AA of the Rules apply to Category WB and WLAS Members unless the contrary intention appears or context requires otherwise.

2 Members and Categories

2.1 Categories WB and WLAS

After the Commencement Date, no person shall be admitted as a Category WB or WLAS Member unless he or she was a Division WB or WD Member and is, immediately thereafter (with the Trustee and the Employer's consent), transferred to membership under this Participation Agreement in the Category corresponding to the relevant Division.

2.2 Transfers between Parts

(a) Subject to Rule AA5.7, the Trustee may:

- (1) with the consent of the Member and the Employer, transfer a Category WB or WLAS Member from Parts 3 or 4, (as applicable) to Part 1; or
- (2) with the consent of the Member and the Employer, transfer a Category WLAS Member from Part 4 to Part 3; or
- (3) with the consent of the Employer, transfer a Category WB or WLAS Member from Parts 3 or 4 (as applicable) to Division F,

on such terms and conditions as the Trustee determines.

(b) All transfers between Categories under paragraph (a) shall be subject to the conditions the Trustee considers appropriate or necessary in order to satisfy the Relevant Law, including without limitation, conditions necessary to satisfy requirements of the Relevant Law concerning the deferral or preservation of a Benefit.

(c) In the case of a re-categorisation resulting in a Member moving from one Part to another Part of the Participation Schedule, an amount determined by the Trustee and the Employer will be transferred in respect of each relevant Member from one Part to the other Part.

2.3 Multiple Category and Division membership

Subject to the provisions of the relevant Parts and Divisions concerning admission to membership, a Member may concurrently be a member of:

- (a) Category WB or WLAS; and
- (b) either or both of Category D and Division E.

3 Special Conditions

There are no special conditions applying to Category WB or WLAS Members.

Part 1

1 Preliminary

1.1 Application of this Part 1

The provisions of this Part 1 apply to Category D Members.

1.2 Application of Division D of the Rules

The provisions of Division D of the Rules apply to Category D Members unless the contrary intention appears or context requires otherwise.

2 Special Conditions

There are no special conditions applying to Category D Members.

Part 2

1 Preliminary

1.1 Application of this Part 2

- (a) The provisions of this Part 2 apply to Category WB and WLAS Members.
- (b) Except where Parts 3 or 4 provide otherwise, this Part 2 prevails to the extent of any conflict between this Part 2 and those Parts but is subject to the provisions of Division A unless expressed to the contrary
- (c) If there is a conflict between a Clause in the General Part and any Clause of this Part 2, that Clause in the General Part prevails to the extent of the conflict.

1.2 Interpretation

In this Part 2, unless the contrary intention appears or context requires otherwise:

“**Act**” means the Melbourne and Metropolitan Board of Works Act 1958.

“**Appointed Day**” means 31 May 1996.

“**Closure Date**” means 31 December 1993.

“**Category W Commencement Date**” means 1 September 1987.

“**Contributor**” means a person who joined the Water Fund before the Category W Commencement Date and includes a former employee of the Melbourne and Metropolitan Board of Works in receipt of a pension under the Former Regulations and any other person whom a Water Industry Employer declared to be a Contributor prior to 1 April 1999 for the purposes of the Water Fund Rules.

“**Corporation**” means the Melbourne Water Corporation.

“**Expense Allowance**” means an allowance payable to a Member which is designated as an expense allowance or an expense of office allowance or which is granted for expenses which are normally and properly incurred by a Member in carrying out the duties of his or her office.

“**Former Fund**” means for purposes of this Part 2 any superannuation entity which was a Former Fund under the Water Fund Rules immediately prior to 1 April 1999 and does not include the Water Fund.

“**Former Regulations**” means the Melbourne and Metropolitan Board of Works Superannuation Scheme Regulations (S.R.270 of 1981).

“**Fund Membership**” means:

- (a) in respect of a Former Water Fund Member, the period which constituted the Member’s “Fund Membership” under the Water Fund Rules immediately prior to 1 April 1999, including -
 - (1) concerning an Employee who became a Contributor before 1 January 1983, the Employee’s period of Service;

- (2) concerning an Employee who became a Contributor on or after 1 January 1983, the most recent uninterrupted period during which the Employee has been a Contributor and an Employee; or
- (3) concerning any other Former Water Fund Member, the most recent uninterrupted period of Service completed after the Category W Commencement Date as a member of the Water Fund; and
- (b) in respect of any Member on and from 1 April 1999, the Member's most recent uninterrupted period of Service.

"Gratuity Scheme" means the Gratuity Scheme operated by the Corporation and in force before the Category W Commencement Date.

"LASA" means the *Local Authorities Superannuation Act* 1988, as in force immediately before its repeal on 1 July 1998.

"LASF" means the Local Authorities Superannuation Fund established under the LASA.

"Member" means a Member of Part 3 or 4, as applicable.

"Partial Disablement" means Disablement of a degree that, in the opinion of the Trustee, the Member has become unable through injury or illness or general failure of health (not amounting to Total and Permanent Disablement) to continue his or her normal occupation as an Employee and for whom the Employer considers there is no suitable alternative work available in its employment.

"Previous Fund" means:

- (a) the Provident Fund; or
- (b) the Gratuity Scheme.

"Previous Fund Member" means a Member who was admitted to the Water Fund on the Category W Commencement Date and who immediately before the Category W Commencement Date was a member of a Previous Fund.

"Previous Fund Membership" means concerning a Member who immediately before becoming a member of the Water Fund -

- (a) was a member of the Provident Fund but has not been a member of the Gratuity Scheme, the most recent uninterrupted period during which the Member was a member of the Provident Fund completed immediately before the Member became a member of the Water Fund; or
- (b) was a member of the Gratuity Scheme, the most recent uninterrupted period during which the Member was a member of the Gratuity Scheme completed immediately before the Member became a member of the Water Fund; or
- (c) was a member of the Provident Fund but before becoming a member of the Provident Fund was a member of the Gratuity Scheme, the sum of -
 - (1) the most recent uninterrupted period during which the Member was a member of the Gratuity Scheme completed immediately before the Member last became a member of the Provident Fund; and
 - (2) the most recent uninterrupted period during which the Member was a member of the Provident Fund completed immediately before the Member became a member of the Water Fund -

except that, where any of these periods are concurrent with any periods of Fund Membership then any of the concurrent periods must be excluded for the purposes of determining a Member's period of Previous Fund Membership.

"Prior Scheme" means any scheme (except a Previous Fund) whereby the Corporation (under section 42(3) of the Act or any previous corresponding enactment) made provision for the payment of superannuation allowances or pensions.

"Provident Fund" means the Melbourne and Metropolitan Board of Works Provident Fund as constituted by the Melbourne and Metropolitan Board of Works Provident Fund Regulations (S.R. 463 of 1980).

"PSSA" means the *Public Sector (Superannuation) Act* 1993 (as in force before its repeal).

"Regulations" means the Melbourne and Metropolitan Board of Works Employees' Superannuation Fund Regulations (S.R. 231 of 1987) as amended to the Appointed Day.

"Service" means the most recent continuous service of a Member during which the Member is an Employee but if:

- (a) a Member ceases to be an Employee in circumstances where the Employer believes the Member is likely to again become an Employee within a reasonable period; or
- (b) takes Leave of Absence without pay,

the Trustee (with the consent of the Employer and the Member) may deem that Member's Service to have continued uninterrupted.

"Temporarily Disabled" means in respect of a Category WB or WLAS Member, absence from employment as an Employee through illness or injury, which in the opinion of the Trustee is sufficiently serious to render the Member unlikely for the time being to continue his or her normal occupation as an Employee.

"Terminal Illness" means that:

- (a) a Terminal Medical Condition exists or has previously existed in relation to a Member; or
- (b) such other medical condition, as specified in a policy of insurance effected by the Trustee for the purposes of a terminal illness benefit, exists or has previously existed in relation to a Member.

"Terminal Medical Condition" has the same meaning as ascribed to that term in the Relevant Law.

"Total and Permanent Disablement" means in respect of a Category WB, or WLAS Member, subject to these Rules, absence as an Employee through illness or injury, which is in the opinion of the Trustee sufficiently serious to render the Member unlikely ever to resume work in or attend to any gainful occupation for which the Member is reasonably suited by education, training or experience.

"Transfer Date" means 1 March 1988.

2 Former Water Fund Members

The Trustee will recognise the special arrangements between Water Industry Employers and Former Water Fund Members in place immediately prior to 1 April 1999 as advised to the Trustee by the trustee of the Water Fund.

3 Transfer to other funds

3.1 Transfer from Fund

If:

- (a) an Employer has terminated all contributions to the Fund in accordance with Rule AA5 in respect of the Member; and
- (b) the Member is a participant in an Approved Benefit Arrangement which is maintained by the Employer for some or all of its Employees, which is nominated by the Employer for this purpose and the governing rules of which permit the transfer; and
- (c) the circumstances are such as, in the Trustee's opinion, to satisfy any applicable requirements of Relevant Law concerning transfers without Member consent,

then the Trustee must (without the Member's consent) pay or transfer to that Approved Benefit Arrangement an amount in respect of the Member determined by the Trustee on the advice of the Actuary. When advising the Trustee on the amount to be paid to the Approved Benefit Arrangement in respect of the Member, the Actuary must have regard to the relevant Employer's Benefit Account under Rule AA7.

3.2 Protection

Any transfer under Clause 3.1 above must not substantially prejudice the value of the Benefits secured for or in respect of any Member by contributions paid to the Water Fund, a Prior Scheme and a Previous Fund before 6 December 1994.

3.3 Transfer without Member consent

In addition to its obligation under Clause 3.1 above, the Trustee may pay all or part of a Benefit to an Approved Benefit Arrangement without the consent of the relevant Beneficiary if it is consistent with Relevant Law.

4 Death Benefit entitlement

Except where otherwise provided in this Participation Schedule, a Benefit payable under Parts 3 or 4 on the death of a Member must be paid in accordance with Rule A10.12.

Part 3

1 Preliminary

1.1 Application of this Part 3

- (a) The provisions of this Part 3 apply to Category WB Members.
- (b) The provisions of this Part 3 are subject to Division A, the General Part and Part 2.

1.2 Definitions

In this Part 3, unless the contrary intention appears or the context requires otherwise:

“Accrued Benefit Multiple” means in relation to a Member at any particular date the multiple which is the sum of -

- (a) for the period of Fund Membership from the Category W Commencement Date to 30 June 1993, the multiple determined according to the following formula:

$$\frac{SM0 \times 8 + SM2.5 \times 14 + SM5 \times 20 + SM7.5 \times 26}{1200}$$

- (b) for the period of Fund Membership after 1 July 1993, the multiple determined according to the following formula:

$$\frac{SM0 \times 7 + SM2.5 \times 12.25 + SM5 \times 17.5 + SM7.5 \times 22.75}{1200}$$

Where:

“SM0”, “SM2.5”, “SM5” and “SM7.5” mean periods calculated in months of the Member’s Fund Membership during the periods as determined above during which the Member’s rate of contribution to the Fund was respectively 0%, 2.5%, 5% or 7.5% of Salary;

- (c) the Gratuity Scheme Multiple;
- (d) the Past Fund Multiple;
- (e) the Provident Fund Multiple; and
- (f) the Special Additional Multiple.

“Accrued Retirement Benefit” means concerning a Member at any particular date, the product of the Member’s Final Salary and the Accrued Benefit Multiple.

“Annual Salary” means at any particular date the annual rate of the Member’s Salary as at that date.

“Changeover Date” means concerning a Transferred Existing Member the date on which the Member’s contributions and benefits commenced to be determined under Schedule B of the Water Fund Rules.

“Combined Fund Membership” means concerning a Member, the sum of -

- (a) the period of the Member’s Fund Membership; and
- (b) the period of the Member’s Previous Fund Membership.

“Contribution Review Date” means the date or dates in each year as the Trustee, after consulting the Employer of a group or class of Members, may determine either generally or in respect of that group or class of Members, being the date as at which a Member’s rate of Contributions may be varied as provided in Clause 2.2 of this Part 3.

“Existing Fund Accumulation” means concerning a Transferred Existing Member, the sum of:

- (a) the Member’s “Existing Fund Accumulation” balance under the Water Fund Rules immediately prior to 1 April 1999;
- (b) an amount equal to three times the Contributions made by the Member to the Fund on and after 1 April 1999 under Rule WC2 except that a Member who, but for Rules WC2.2 or WC2.3 would have been liable to contribute to the Fund in excess of the maximum rate of Contribution specified in that Rule, will be deemed to have contributed to the Fund at the rate which the Member would have been liable to contribute had the maximum rate not applied; and
- (c) compound interest on the amounts in paragraphs (a) and (b) above at the Net Earning Rate.

“Final Salary” means the Member’s Annual Salary at the date on which the Member ceases to be an Employee.

“Gratuity Scheme Multiple” means the multiple calculated by multiplying one twelfth (1/12) of 0.05 by the number of months in the Member’s period of membership of the Gratuity Scheme which are included in the period of the Member’s Previous Fund Membership.

“Income Benefit” means the Benefit payable under Clause 3.4 of this Part 3.

“Maximum Benefit” means -

- (a) for a date of calculation prior to or on 30 June 1993 - an amount equal to the product of 8.4 and the Member’s Final Salary or such higher amount the Trustee declares to be the Maximum Benefit in relation to a particular Member or group of Members;
- (b) for a date of calculation after 30 June 1993 - an amount equal to the product of -

$$(i) \quad A + [(B - A) \times \frac{17.5}{20}]$$

Where:

“A” means Accrued Benefit Multiple at 30 June 1993; and

“B” means Maximum Fund Multiple at 30 June 1993, and

- (ii) the Member’s Final Salary

or such higher amount as the Trustee declares to be the Maximum Benefit in relation to a particular Member or group of Members.

“Maximum Fund Multiple at 30 June 1993” means 8.4 or such higher multiple as the Trustee shall declare to be the Maximum Fund Multiple in relation to a particular Member or group of Members.

“Member” in this Part 3 means a Category WB Member.

“Past Fund Multiple” means concerning a Transferred Existing Member the multiple according to the following formula:

$$\left[\frac{LS_{60}}{FS} \times \frac{t}{n} \right] + AM$$

Where:

“LS₆₀” is the lump sum determined by the Trustee which the Member could have exchanged for the annual pension to which the Member would have been entitled under the Former Regulations had the Member retired at age 60 except that for the purposes of determining that pension, the period of Fund Membership which the Member would have completed at age 60 will be used;

“FS” is the Member’s Final Salary;

“t” is the number of months in the period of Fund Membership completed up to the Changeover Date;

“n” is the number of months in the period of Fund Membership which the Member would have completed had the Member continued as a Member and an Employee up to the date of attaining age 60 years; and

“AM” is the lesser of 0.7 and the multiple determined according to the following formula:

$$\frac{0.02 \times t}{12}$$

Where

“t” has the meaning ascribed to it above.

“Provident Fund Multiple” means a multiple equal to the sum of -

- (a) one-twelfth (1/12) of 0.11 multiplied by the number of months in the Member’s period of Previous Fund Membership during which the Member’s rate of contribution to the Provident Fund was 2.5% of wage; and
- (b) one-twelfth (1/12) of 0.14 multiplied by the number of months in the Member’s period of Previous Fund Membership during which the Member’s rate of contribution to the Provident Fund was 5% of wage.

“Salary” means the actual salary of the Member from time to time determined by the Employer and notified to the Trustee and includes:

- (a) allowances included to make up the all purpose rate of pay for the classification or class of work of the Member, such as industry or construction allowances, state incremental payments, service grants and fixed amounts included in the Member’s salary to compensate for overtime and weekend duty worked as part of normal hours and/or availability; and

- (b) for a Member classified by the Employer as a permanent shift worker, an allowance of 10 per cent of the rate of pay determined by the Employer for the classification or class of work carried out by that Member,

but must not include any Expense Allowance. If the Member's Salary is reduced at any time by the Employer, the Trustee and the Member may agree that the Member's Salary immediately before the reduction continues to be the Member's Salary for the purposes of these Rules during the period when the Member's actual Salary is less than the Salary immediately before the reduction.

"Short Term Employee" means any Employee appointed under Sections 12, 21 and 33 of the Melbourne Water Corporation Act or any other Employee whose Employer advises the Trustee in writing that he or she is a Short Term Employee, and whose appointment is for a fixed period not exceeding 5 years.

"Special Additional Multiple" means -

- (a) concerning a Member who was a member of the Water Fund on the Category W Commencement Date, the multiple (if any) determined by the Trustee at that date as being the Member's Special Additional Multiple; and
- (b) concerning any Member for whom a transfer is effected after the Category W Commencement Date under Rule A11, the multiple determined by the Trustee to take account of that transfer.

"Transferred Existing Member" means a Member who was a Contributor and who under rule 3.7 of the Water Fund Rules elected not later than the Transfer Date to become a member to whom Schedule B of the Water Fund applied.

2 Member Contributions

2.1 Contribution Options

- (1) Subject to this Clause 2.1 of this Part 3 and Rule AA3, each Member must contribute to the Fund a percentage of Salary at the date the Contribution is due, the percentage being:
 - (a) 0%, 2.5%, 5% or 7.5%, for a Transferred Existing Member; or
 - (b) 0%, 2.5% or 5% for a person who is not a Transferred Existing Member, or 7.5% where that person -
 - (1) immediately before the Category W Commencement Date was an Employee; and
 - (2) has an Accrued Benefit Multiple of less than one twelfth (1/12) of 0.20 for each month of Service up to 30 June 1993 plus one twelfth (1/12) of 0.175 for each month of Service after 30 June 1993,
 whichever the Member selects.
- (2) The contribution rate in effect for the Member under the Fund immediately prior to the Commencement Date will be deemed the Member's initial Contribution rate under this Clause 2.1.

2.2 Variation of Contribution rate

Subject to Clause 2.3 of this Part 3 and any conditions imposed by the Trustee, a Member may by written notice to the Trustee in a form determined by the Trustee elect to change his or her rate of Contribution by nominating another rate specified in Clause 2.1 of this Part 3.

2.3 Cessation of Contributions

A Member's rate of Contribution shall be and will remain 0% if -

- (a) without payment of further Contributions by the Member, the Member's Accrued Retirement Benefit at the date on which the Member would have attained age 60 would exceed the Maximum Benefit; or
- (b) the Member's Accrued Retirement Benefit exceeds the Maximum Benefit.

2.4 Member does not Select an Option

In any case where a Member does not notify any change in the rate of Contribution as provided for under Clause 2.2 of this Part 3, the Trustee will deem the Member to have notified the Trustee that the Member's rate of Contribution is to continue unchanged.

3 Benefits**3.1 Retirement and Partial Disablement Benefits**

If a Member ceases to be an Employee other than in circumstances provided in Clause 3.2, 3.3 or 3.5 of this Part 3:

- (a) at any time on or after attaining age 55; or
- (b) at any time before attaining age 55 on account of Partial Disablement,

there will be paid to the Member from the Fund a lump sum Benefit equal to the Member's Accrued Retirement Benefit as at the date the Member ceased to be an Employee. However, the lump sum Benefit must not exceed the Maximum Benefit.

3.2 Death Benefit

On the death of a Member in Service, the Trustee must pay in accordance with Clause 4 of Part 2, a lump sum Benefit equal to the greater of -

- (a) the sum of:
 - (i) the Member's Accrued Retirement Benefit calculated based on the Regulations current as at 30 June 1993, at the date of death;
 and
 - (ii) if the Member's death occurs before attaining age 60, an amount determined according to the following formula:

$$\frac{FS \times F \times PFM}{12}$$

Where:

“FS” is the Member’s Final Salary;

“F” is 0.20 or, for a Member whose rate of Contribution immediately before the date of death was 7.5 per cent, 0.26; and

“PFM” is the number of months between the date of death of the Member and the date on which the Member would have attained age 60; and

- (b) for a Previous Fund Member who was formerly a member of the Provident Fund, an amount determined according to the following formula:

$$FS \times DBM$$

Where:

“FS” is the Member’s Final Salary; and

“DBM” is the multiple which would have been used to determine the Member’s retirement benefit under the Provident Fund had the Member continued after the Category W Commencement Date as a member of the Provident Fund until attaining age 65, but calculated assuming the Member’s rate of contribution in force on the day before the Category W Commencement Date would have continued unaltered,

Provided that the lump sum Benefit under this Clause 3.2 must not exceed the product of the Maximum Fund Multiple at 30 June 1993 and the Member’s Final Salary.

3.3 Total and Permanent Disablement Benefit

If a Member ceases to be an Employee on account of Total and Permanent Disablement, there will be paid to the Member from the Fund a lump sum Benefit equal to the greater of:

- (a) the sum of:
- (i) the Member’s Accrued Retirement Benefit at the date the Member ceased to be an Employee; and
 - (ii) if the Member ceases to be an Employee before attaining age 60, an amount determined according to the following formula:

$$\frac{FS \times F \times PFM}{12}$$

Where:

“FS” is the Member’s Final Salary;

“F” is 0.20 or, in the case of a Member whose rate of Contribution immediately prior to the date of ceasing to be an Employee was 7.5 per cent, 0.26; and

“PFM” is the number of months between the date the Member ceased to be an Employee and the date on which the Member would have attained the age of 60 years; and

- (b) in the case of a former member of the Provident Fund, an amount determined according to the following formula:

FS × DBM

Where:

“FS” is the Member’s Final Salary; and

“DBM” is the multiple which would have been used to determine the Member’s retirement benefit under the Provident Fund had the Member continued after the Category W Commencement Date as a member of the Provident Fund until attaining age 65, but calculated assuming the Member’s rate of contribution in force on the day prior to the Category W Commencement Date would have continued unaltered,

provided that the lump sum Benefit under this Clause 3.3 must not in any event exceed the product of the Maximum Fund Multiple at 30 June 1993 and the Member’s Final Salary.

3.4 Temporary Disablement Benefit

- (1) If a Member becomes Temporarily Disabled while an Employee and before attaining age 60, an Income Benefit will be payable to the Member from the Fund under this Clause 3.4.
- (2) The Income Benefit will be a monthly amount equal to one twelfth (1/12) of seventy per cent (70%) of the Member’s Annual Salary from time to time and will commence from the date on which the Member’s right to any sick leave entitlements has expired as notified by the Employer to the Trustee. The Trustee will reduce the Income Benefit by the monthly equivalent of any sum paid or payable to the Member under any provision for workers compensation, sick leave or similar payments as determined by the Trustee, but only for the purpose of ensuring that the aggregate of the Income Benefit and the payments does not exceed one twelfth (1/12) of the Member’s Annual Salary from time to time.
- (3) The Income Benefit will be paid by equal monthly instalments on the last day of each month or as soon as practicable after that date and where necessary, pro rata instalments will be paid.
- (4) The Income Benefit will terminate on the first to occur of -
 - (a) the death of the Member;
 - (b) the date on which the Member ceases to be an Employee;
 - (c) the date on which the Trustee determines the Member has become Totally and Permanently Disabled; or
 - (d) the day immediately following the date on which the equivalent of 24 monthly instalments of the Income Benefit have been received by the Member.
- (5) In addition to paragraph (4), if the Member -
 - (a) engages in paid employment with the Employer or any other organisation or person; or
 - (b) in the opinion of the Trustee, is or becomes able to engage in any paid employment -

the Trustee may reduce or suspend the Income Benefit to the extent and for the period the Trustee sees fit or may permanently discontinue it.

3.5 Retrenchment Benefit

If a Member ceases to be an Employee and the Employer certifies to the Trustee that the cessation is due to retrenchment there must be paid to the Member from the Fund a lump sum Benefit equal to the Member's Accrued Retirement Benefit as at the date the Member ceased to be an Employee. However, the lump sum Benefit must not exceed the Maximum Benefit.

3.6 Cessation of Employment for Other Reasons

- (1) If a Member ceases to be an Employee in circumstances in which a Benefit is not payable under any other Clause of this Part 3, there will be paid to the Member from the Fund, subject to Clause 3.8 of this Part 3, a lump sum Benefit calculated under the applicable paragraph following.
- (2) If the Member's period of Combined Fund Membership is less than 5 years, the sum of:
 - (a) the total of the contributions paid by the Member to the Water Fund or the Fund; and
 - (b) for a Transferred Existing Member an amount equal to the sum of:
 - (i) the total of the contributions paid by the Member to the Provident Fund accumulated with interest under the provisions of the Provident Fund up to the commencement of the Member's Fund Membership and then with compound interest at the rate of 5 per cent per annum calculated with quarterly rests up to the Category W Commencement Date; and
 - (ii) the total of the contributions paid by the Member to the Water Fund before the Category W Commencement Date accumulated with compound interest at the rate of 5 percent per annum calculated with quarterly rests up to the Category W Commencement Date; and
 - (c) for a Previous Fund Member, the total of the contributions paid by the Member to the Provident Fund during the period of Previous Fund Membership accumulated with interest up to the Category W Commencement Date under the provisions of the Provident Fund; and
 - (d) compound interest at the Net Earning Rate for the period from the date of receipt into the Water Fund concerning contributions specified in paragraph (a) above and from the Category W Commencement Date concerning the amount specified in paragraph (b) or (c) above, up to in each case the date on which the Member ceases to be an Employee.
- (3) If the Member's period of Combined Fund Membership is at least 5 years, but less than 20 years, the greater of:
 - (a) an amount determined according to the following formula:

$$FS \times (ABM5 + MCR5)$$

Where:

“**FS**” is the Member’s Final Salary;

“**ABM5**” is the Member’s Accrued Benefit Multiple as at the date 5 years before the date on which the Member ceased to be an Employee; and

“**MCR5**” is five times the average percentage rate of Contribution made by the Member in the period of 5 years before the date on which the Member ceased to be an Employee, the average being based on -

- (i) the percentage rates of contributions made by the Member to the Water Fund or the Fund during the period of Fund Membership which is contained in the period of 5 years; and
- (ii) the percentage rates of contributions made by the Member to the Provident Fund during the period of Previous Fund Membership which is contained in the period of 5 years,

except for a Transferred Existing Member then, for any period of Fund Membership before the Changeover Date for which percentage rates of contributions are required for the purposes of this definition, the percentage rate of Contribution of the Member effective on the day immediately before the Changeover Date will be used; and

- (b) an amount calculated under Clause 3.6(2) of this Part 3.

- (4) If the Member’s period of Combined Fund Membership is at least 20 years, but less than 25 years, an amount determined according to the following formula:

$$EFB + (ARB - EFB) \times t/60$$

Where:

“**EFB**” is an amount calculated under paragraph (3);

“**t**” is the number of months by which the Member’s period of Combined Fund Membership exceeds 240; and

“**ARB**” is the Member’s Accrued Retirement Benefit at the date on which the Member ceased to be an Employee.

- (5) If the Member has attained age 50 but the Member’s period of Combined Fund Membership is less than 25 years, an amount determined according to the following formula:

$$NRB + (ARB - NRB) \times n/t$$

Where:

“**NRB**” is an amount calculated under whichever of paragraphs (2), (3) or (4) of this Clause 3.6 are applicable to the Member;

“**n**” is the number of months which the Member has completed as an Employee since attaining age 50;

“t” is the lesser of 60 and the number of months which the Member would have completed as an Employee on attaining age 55; and

“ARB” is the Member’s Accrued Retirement Benefit at the date on which the Member ceased to be an Employee.

- (6) If the Member’s period of Combined Fund Membership is at least 25 years, an amount equal to the Member’s Accrued Retirement Benefit as at the date on which the Member ceased to be an Employee.

3.7 Terminal Illness Benefit

- (a) In the event of a Member's Terminal Illness, the Trustee may at the request of the Member pay an amount not exceeding the lesser of:
 - (i) the amount that may be released under the Relevant Law; and
 - (ii) the amount that the Member would have been entitled to receive under this Part 3 if the Member died on the date on which he or she was certified as having a Terminal Illness (provided that, if the Terminal Illness Benefit, or any component of it, is insured by the Trustee under a policy of insurance, the Trustee must reduce the amount payable to the Member in respect of that Benefit to the extent the insurer does not admit or pay all or part of the insured amount).
- (b) The Member must provide such evidence as the Trustee reasonably requires that proves that all of the conditions that must be satisfied under the Relevant Law for a Terminal Medical Condition to exist, have been satisfied.
- (c) Notwithstanding any other provision of this Part 3, the Trustee must adjust any Benefit payable from the Fund to take account of any payment made under this Clause 3.7.

3.8 Minimum Benefits

Despite anything to the contrary in this Participation Schedule, but subject to Rule AA8:

- (a) the Benefit payable to a Short Term Employee who ceases to be an Employee must not be less than the Accrued Retirement Benefit at the date the Member ceased to be an Employee;
- (b) the Benefit payable to a Transferred Existing Member, who is retired by the Employer before attaining age 55 for any cause other than dismissal for misconduct, must not be less than the Existing Fund Accumulation; and
- (c) the Benefit payable to a Previous Fund Member who was a member of the Provident Fund, and who is retired by the Employer before attaining age 55 for any cause other than dismissal for misconduct, shall not be less than the Accrued Retirement Benefit at the date the Member ceased to be an Employee.

Part 4

1 Preliminary

1.1 Application of this Part 4

- (a) The provisions of this Part 4 apply to Category WLAS Members.
- (b) The provisions of this Part 4 will be generally subject to Division A, the General Part and Parts 2 and 3, but in the event of any inconsistency the provisions in this Part 4 will prevail.

1.2 Definitions

In this Part 4, unless the contrary intention appears or the context requires otherwise:

"Adjusted Final Salary" means the lesser of –

- (a) the Salary of a Member immediately before any Benefits become payable to that person; and
- (b) the greater of:
 - (1) the Member's average Salary over the year immediately before the Benefits became payable (or over any lesser period of time for which that person was a Member); and
 - (2) the sum referred to in sub-paragraph (1) multiplied by –

$$\frac{A+B}{2B}$$

where:

- A** is the Average Weekly Ordinary Time Earnings (Victoria) Index published by the Australian Bureau of Statistics for the last full quarter before the Benefits become payable; and
- B** is the Average Weekly Ordinary Time Earnings (Victoria) Index published by the Australian Bureau of Statistics for the corresponding quarter a year earlier (or, if the person was a Member for less than a year before the Benefits became payable, the last complete corresponding quarter before the person became a Member).

"Disability" means a continuous or recurring impairment of the health of a Member which is due to a physical or mental disability, bodily injury, illness, disease or infirmity, which in the opinion of the Trustee formed on the certificates of at least two Registered Medical Practitioners:

- (a) renders him or her unable to perform:
 - (1) his or her duties; or
 - (2) any other duties which are available with the Employer and for which he or she is suited by education, training or experience; and

(b) has not been incurred or inflicted for the purpose of obtaining a Benefit;

"Disability Beneficiary" means a Member in respect of whom an application for a Disability Benefit has been approved by the Trustee;

"Employee" means:

- (a) any person under 65 years of age who is in the Service or employment of the Employer on a continuous (whether on a full-time or part-time) basis; and
- (b) any other person under 65 years of age who is an employee of the Employer and whom the Employer with the approval of the Trustee declares in writing to be an employee,

but does not include any person who is an employee who is, or a Member of a class of employees which is, engaged on constructional work, and whose length of employment is or is likely to be dependent on the duration of that work;

"Gainful Employment", in relation to a person means the receipt by that person or another person, corporation or trust of remuneration which is derived wholly or partly from labour provided by the person whether under a contract of service or otherwise;

"Government Tables" means the Tables published in the Government Gazette on 27 July 1995 at page 1902.

"Ill Health" means a continuous or recurring impairment of the health of an Employee which is due to a physical or mental disability, bodily injury, illness or disease, which in the opinion of the Trustee –

- (a) is not a Disability; and
- (b) is likely to be adversely affected if the Employee remains in his or her employment; and
- (c) does not preclude the Employee from seeking alternative employment; and
- (d) has not been incurred or inflicted for the purpose of obtaining a Benefit;

"Maximum Benefit" means -

- (a) for a date of calculation prior to or on 30 June 1993 - an amount equal to the product of 8.4 and the Member's Adjusted Final Salary or such higher amount the Trustee declares to be the Maximum Benefit in relation to a particular Member or group of Members;
- (b) for a date of calculation after 30 June 1993 - an amount equal to the product of -

$$(i) \quad A + [(8.4 - A) \times \frac{18.5}{21}]$$

Where:

"A" means accrued benefit multiple of that person as at 30 June 1993; and

- (ii) the Member's Adjusted Final Salary

or such higher amount as the Trustee declares to be the Maximum Benefit in relation to a particular Member or group of Members.

"Member" in this Part 4 means a Category WLAS Member who is not a Pensioner.

"Old Benefits" means the following:

(a) in relation to retirement other than retirement through Disability:

- (1) a lump sum which is eleven twenty-firsts of the Member's accrued retirement benefit calculated under Clause 4.1 of this Part 4; and
- (2) a yearly Pension (payable and indexed in accordance with the provisions of the *Local Authorities Superannuation Act (Vic)* 1958 immediately before its repeal or payable and indexed on such other basis as determined by the Trustee from time to time on the advice of the Actuary), which is calculated by dividing ten twenty-firsts of the Member's accrued retirement benefit calculated under Clause 4.1 of this Part 4 by the appropriate factor from the following table:

Age of Member in completed years	Factor
65	12.0
64	12.1
63	12.2
62	12.3
61	12.4
60	12.6
59	12.8
58	13.0
57	13.2
56	13.4
55	13.6
Note: Age must be calculated in years and completed months, and interpolation of factors must be made.	

(b) in relation to retirement through Disability –

- (1) a lump sum calculated by reference to the Government Table; and
- (2) a yearly Pension (payable and indexed in accordance with the provisions of the *Local Authorities Superannuation Act (Vic)* 1958 immediately before its repeal or payable and indexed on such other basis as determined by the Trustee from time to time on the advice of the Actuary) which is 0.8333 per cent of the Member's Salary for each year for which the Member was contributing to the LASF, Water Fund or the Fund including prospective years to the age of 65 years (but not exceeding a total of 40 years),

subject to a reduction by the Trustee of either of the amounts referred to in sub-paragraph (1) or (2) in accordance with the Government Table, if the

Member's most recent medical classification under the *Local Authorities Superannuation Act (Vic)* 1958 was not the top classification;

"Parental Leave" means unpaid parental leave;

"Pensioner" means a person receiving a Pension under this Part 4;

"Registered Medical Practitioner" means a registered medical practitioner within the meaning of the *Health Practitioner Regulation National Law Act (Cth)* 2009;

"Retrenchment" means:

- (a) the compulsory termination of the Service of an Employee who has not attained the age of 55 years for the reason that in the opinion of the Employer –
 - (1) the Employee's Service or position is not necessary; or
 - (2) the work for which the Employee was engaged is finished (except in the case of the expiration of a contracted period of Service or the completion of a contracted task); or
 - (3) the quantity of work has diminished and has rendered necessary a reduction in the number of employees; or
- (b) the voluntary termination of Service by an Employee who has not attained the age of 55 years which in the opinion of the Employer is effected in anticipation of a compulsory termination referred to in paragraph (a); or
- (c) the non-employment of an Employee who is an apprentice immediately after the end of the period of apprenticeship;

"Salary" means the annual rate, computed as determined by the Trustee on the basis of a year, of pecuniary emoluments payable periodically and regularly to an Employee for the performance of the duties of his or her grade of employment as that Employee, but does not include payments –

- (a) for overtime or in the form of bonuses; or
- (b) for travelling allowance or incidental expenses; or
- (c) of a temporary character;

"Service", in relation to a Member, means the number of years (with each additional day counting as a fraction of a year) for the period of:

- (a) time for which that person was a "contributor" under the LASA; and
- (b) Fund Membership (but only to the extent that Fund Membership does not include the period referred to in paragraph (a)),

adjusted to take into account any part-time employment, Parental Leave, leave without pay and breaks in employment of that person.

1.3 Interpretation

- (a) For the avoidance of any doubt it is hereby declared that the Government Tables relate to the calculation of Old Benefits where the Member's most recent medical classification under the *Local Authorities Superannuation Act (Vic)* 1958 was not the top classification.

- (b) For the purposes of calculating the Adjusted Final Salary of any person whose Salary decreases before that person ceases to be a Member, the Trustee may determine a notional Adjusted Final Salary for that person.
- (c) For the purposes of the definition of "Service" in Clause 1.2 of this Part 4:
 - (1) any part-time employment or breaks in employment of a Member are to be taken into account as follows in calculating the Benefits for that Member:
 - (A) that Member's Salary must be treated as if it is the Salary of a full-time Employee who has been a Member for the same period of time; and
 - (B) that Member's period of Service or prospective Service must be reduced proportionally according to the basis on which that Member is employed; and
 - (2) Parental Leave or leave without pay of a Member for a period not exceeding 7 years if the Member is on Parental Leave or not exceeding 2 years if the Member is on leave for any other reason except Ill Health are to be taken into account as follows:
 - (A) the Member and the Member's Employer are not required to pay any Contributions for the period of Parental Leave or leave without pay, but the Trustee may on application (which application must comply with the Relevant Law) allow such Contributions;
 - (B) a Member on leave without pay may elect (which election must comply with the Relevant Law) to continue to Contribute during that period of leave a Contribution at a rate equal to 2 per cent of his or her Salary (or such other percentage of Salary as is determined by the Trustee on the advice of the Actuary) to continue that person's death and Disability benefits during that period of leave;
 - (C) the Trustee must reduce the Benefits payable to that Member taking into account the amount of Contributions unpaid during the leave.
- (d) If the Employer engages an Employee temporarily for 12 months or less, the Employer and the Employee are exempted from complying with this Part 4 during that period of temporary employment.
- (e) On application to the Trustee by an Employee, the Trustee may exempt the Employee from complying with this Part 4 either indefinitely or for a specific period, if the Trustee considers that the exemption is for the Employee's benefit.

2 Member Contributions

2.1 Determination of Contributions

- (a) Subject to Clause 2.2 of this Part 4, a Member must make Contributions to the Fund at a rate equal to 6 per cent of his or her Salary.

- (b) Despite anything to the contrary in this Clause 2, if by agreement between a Member and the Employer a Member is required to make a Contribution at a rate of less than 6 per cent of the Member's Salary, the Employer must make contributions at a rate determined by the Trustee and the Member is relieved of any liability to make a Contribution in excess of the rate agreed between the Member and the Employer.
- (c) The Trustee must not accept any contributions:
 - (1) in excess of the amount permitted under the Relevant Law;
 - (2) from, or in respect of, a Member who is not eligible to contribute under the Relevant Law.

2.2 Length of Contribution period

A Member ceases to be obliged to make Contributions after:

- (a) the Member ceases to be an Employee; or
- (b) the Member reaches age 65, unless the Member and the Trustee agree otherwise; or
- (c) the Member's accrued retirement benefit calculated under Clause 4.1 of this Part 4 exceeds the Maximum Benefit.

3 Medical examinations and classification

- (a) The Trustee may at any time require any Employee:
 - (1) to provide the Trustee with a personal statement or other information, verified as the Trustee requires, containing details about his or her age, occupation, background, health and any other matters which the Trustee considers it necessary to contain; and
 - (2) if the Employee so authorises, to provide the Trustee with a report on the Employee by the Employee's own treating doctor; and
 - (3) to undergo any medical examinations by Registered Medical Practitioners nominated by the Trustee which are considered necessary by the Trustee.
- (b) The Trustee must from time to time determine the classes into which Members may be classified under this Part 4.
- (c) The Trustee must as soon as possible after receiving the initial statement or information and causing any initial medical examination to be conducted notify the Employee of the class to which the Trustee has assigned that person.
- (d) The Trustee may alter or revoke a determination made under paragraph (b) above and must notify all Members affected by any such alteration or revocation.
- (e) If an alteration or revocation of a determination under paragraph (b) above includes a reduction in Benefits for persons in a certain class, the notice to

be given to affected Members must specify details of the percentage reductions in those Benefits.

- (f) The Trustee may at any time:
 - (1) reassign a Member to another class from a specific date; and
 - (2) accordingly make any necessary adjustments to the Benefits regarding that Member.
- (g) If a Member provides the Trustee with a personal statement or other information which is fraudulently untrue in any material particular:
 - (1) the Member is not entitled to make any claims to any assets of the Fund; and
 - (2) the Trustee may keep any Contributions already paid to it in respect of that Member.

4 Benefits

4.1 Retirement

- (a) A Member is entitled to a Benefit on retirement on or after attaining the age of 55 years or on attaining age 65.
- (b) The accrued retirement benefit of a contributor:
 - (1) for the period of Service until 1 July 1993, is 21 per cent of the Adjusted Final Salary of the Member for each year of that Member's Service; and
 - (2) for the period of Service after 1 July 1993 is 18.5 per cent of the Adjusted Final Salary of the Member for each year in which he or she contributed 6 per cent of Salary to the Fund,

provided that the lump sum Benefit must not exceed the Maximum Benefit.
- (c) A Benefit under this Clause 4.1 does not continue to accrue after the Member attains age 65. Without limiting paragraph (d), if a Member continues as an Employee after attaining age 65 the Member must become a Category D Member and any post age 65 Benefit will be provided for that Member under Part 1 of this Participation Schedule.
- (d) A Member may elect to receive Old Benefits in lieu of the Benefit provided under paragraph (a) (which election must be made no later than six months after the date the Member ceases to be an Employee and must be made in accordance with the procedures determined by the Trustee).

4.2 Death of Member before retirement

- (a) Subject to paragraphs (d) and (e) below, on the death of a Member before age 65 the Trustee must pay to his or her legal personal representative a lump sum equal to the sum of:
 - (1) the Member's accrued retirement benefit calculated under Clause 4.1 of this Part 4 as if the Member's date of death were the

date of his or her retirement and all Service took place prior to 1 July 1993; and

- (2) 21 per cent of the Adjusted Final Salary of the Member multiplied by the number of years from the date of the Member's death until the Member would have attained the age of 60 years.
- (b) The sum referred to in paragraph (a)(2) above may be reduced by the Trustee on the basis of medical classification by the percentage specified in a notice under Clause 3(e) of this Part 4, if the deceased Member's medical classification is not the top classification.
 - (c) A written acknowledgement of receipt of a payment under Clause 4.2(a) of this Part 4 is a release to the Trustee from any obligation to pay any further amounts in respect of the deceased Member.
 - (d) The Benefit payable under paragraph (a) above must not exceed 8.4 times the Member's Adjusted Final Salary.

4.3 Retirement through Disability

- (a) Subject to paragraph (n) below, if a Member ceases to be an Employee on the ground of Disability, the Member is entitled to have a Disability Benefit calculated as a lump sum equal to the sum of:
 - (1) the Member's accrued retirement benefit calculated under Clause 4.1 of this Part 4 as if the Member's date of ceasing to be an Employee due to Disability were the date of his or her retirement; and
 - (2) 21 per cent of the Adjusted Final Salary of the Member multiplied by the number of years from the date of the Member's ceasing to be an Employee on the grounds of Disability until the Member would have attained the age of 60 years,
 and credited to a Disability Beneficiary account together with any Benefits from an additional benefits contract under Clause 4.10 of this Part 4.
- (b) If, on application by a Member or the Employer at any time before or within 6 months after the Member ceases employment, the Trustee is satisfied that that person was suffering from a Disability on or before the date on which that person ceased employment, that person becomes a Disability Beneficiary.
- (c) The Trustee must keep a Disability Beneficiary's account for each Disability Beneficiary and must credit to that account:
 - (1) any amounts referred to in Clause 4.3(a) of this Part 4; and
 - (2) interest on the amounts in the account at the Net Earning Rate; and
 - (3) any other amounts determined by the Trustee on the advice of the Actuary.
- (d) Any payment to the Disability Beneficiary under this Clause 4.3 must be debited against the Disability Beneficiary's account.

- (e) The Trustee must pay from a Disability Beneficiary's account to the Beneficiary or any other person as the Trustee thinks fit on the Beneficiary's behalf such instalments or a single payment as may be decided by the Trustee.
- (f) When the balance in a Disability Beneficiary's account is reduced to zero, the Trustee is discharged from any liability to make further payments to the Beneficiary.
- (g) When a Disability Beneficiary attains the age of 65 years, he or she is entitled to receive any balance in his or her account.
- (h) If a Disability Beneficiary dies before attaining the age of 65 years, that Beneficiary's legal personal representative is entitled to receive any balance in the Beneficiary's account.
- (i) The Trustee may at any time review the question as to whether a Disability Beneficiary who is in receipt of Disability Benefits is still suffering from a Disability.
- (j) If the Trustee determines that the Disability Beneficiary is capable of gainful employment, it may:
 - (1) continue the existing Benefits; or
 - (2) increase the existing Benefits; or
 - (3) reduce the existing Benefits; or
 - (4) discontinue the existing Benefits.
- (k) The Trustee must not determine to reduce the existing Benefits unless Benefits have been paid for at least 12 months.
- (l) A determination to reduce the existing Benefits does not take effect for a period of 3 months after the date of the determination.
- (m) If the Trustee decides that a Disability Beneficiary is again able to be employed by the Employer and if:
 - (1) he or she is offered employment by the Employer at a Salary not less than five-sixths of the Salary (at the time of the offer) for the grade in which he or she was employed immediately before ceasing employment, the Trustee, may, from a date specified by the Employer or the commencement of the employment (whether or not the person accepts that employment) cancel the Disability Benefits; or
 - (2) he or she is offered employment by the Employer at a Salary less than five-sixths of the Salary (at the time of the offer) for the grade in which he or she was employed immediately before ceasing employment, the Trustee may pay to the Beneficiary that part of his or her Benefits which is necessary to raise the total of his or her Salary and Benefits to five-sixths of the Salary (to the extent that the Benefits allow).
- (n) The Benefit payable under paragraph (a) above must not exceed 8.4 times the Member's Adjusted Final Salary.

- (o) A Member may elect to receive Old Benefits in lieu of the Benefit provided under paragraph (a) (which election must be made no later than six months after the date the Member ceases to be an Employee and must be made in accordance with the procedures determined by the Trustee).

4.4 Retrenchment

A Member who is retrenched is entitled to a Benefit equal to the amount of the accrued retirement benefit of that person calculated under Clause 4.1 of this Part 4.

4.5 Resignation

- (a) If a Member resigns, he or she is entitled to an amount equal to the sum of:
 - (1) for the period of Service until 1 July 1993, 15 per cent of the Member's Adjusted Final Salary for each year of that Member's Service (with each additional day counting as a fraction thereof); and
 - (2) for the period of service after 1 July 1993, 15 per cent of the Member's Adjusted Final Salary for each year of that Member's Service excluding the 5 years of Service immediately prior to resignation (with each additional day counting as a fraction thereof); and
 - (3) 9 per cent of the Member's Adjusted Final Salary for the 5 years of the Member's Service immediately prior to resignation.
- (b) In respect of a person classified under the *Local Authorities Superannuation Act (Vic)* 1958 immediately before the repeal of that Act as class 3, the Trustee, on the advice of the Actuary, may approve the payment of Benefits additional to those referred to in paragraph (a).

4.6 Retirement due to Ill Health

- (a) If a Member retires on the ground of Ill Health, the Member is entitled to a Benefit equal to the amount of the accrued retirement benefit of that person calculated under Clause 4.1 of this Part 4.
- (b) A retirement is not on the ground of Ill Health unless the Trustee considers that Ill Health was the reason for the retirement.

4.7 Deferred Benefit

- (a) A Member who resigns may choose to accept instead of a resignation Benefit a deferred retirement Benefit equal to the sum of:
 - (1) the accrued retirement benefit calculated under Clause 4.1 of this Part 4; and
 - (2) interest on the amount of that accrued retirement benefit from the date on which that Benefit falls due until the date of retirement, death or Disability of the Member at the rate determined by the Trustee from time to time.

- (b) The deferred retirement benefit is not payable before the Member attains the age of 55 years unless:
 - (1) the Member becomes subject to a Disability approved by the Trustee either generally or specifically for the purposes of this Clause 4.7; or
 - (2) the Member dies before attaining the age of 55 years.
- (c) If a person entitled to a deferred benefit dies before attaining the age of 55 years, the legal personal representative of that person is entitled to receive from the Trustee the amount of the deferred retirement benefit to which the deceased Member was entitled.
- (d) If a person entitled to a deferred benefit becomes subject to a Disability which is approved by the Trustee either generally or specifically for the purposes of this Clause 4.7 and which occurs before that person attains the age of 55 years, that person is entitled to receive from the Trustee the amount of the deferred retirement benefit to which the person is entitled.

4.8 Traumatic bodily injury

If a Member:

- (a) suffers any injury considered by the Trustee to be traumatic bodily injury; and
- (b) within 6 months after having suffered that injury (or such longer period as the Trustee determines either generally or specifically for the purposes of this Clause 4.8):
 - (i) dies; or
 - (ii) becomes entitled to receive Disability Benefits,

the Member must be treated by the Trustee as if he or she is in the top classification of Members, for the purposes of the payment of Benefits under this Clause 4.8.

4.9 Terminal Illness

- (a) In the event of a Member's Terminal Illness, the Trustee may at the request of the Member pay an amount not exceeding the lesser of:
 - (i) the amount that may be released under the Relevant Law; and
 - (ii) the amount that the Member would have been entitled to receive under this Part 4 if the Member died on the date on which he or she was certified as having a Terminal Illness (provided that, if the Terminal Illness Benefit, or any component of it, is insured by the Trustee under a policy of insurance, the Trustee must reduce the amount payable to the Member in respect of that Benefit to the extent the insurer does not admit or pay all or part of the insured amount).
- (b) The Member must provide such evidence as the Trustee reasonably requires that proves that all of the conditions that must be satisfied under the Relevant Law for a Terminal Medical Condition to exist, have been satisfied.

- (c) Notwithstanding any other provision of this Part 4, the Trustee must adjust any Benefit payable from the Fund to take account of any payment made under this Clause 4.9.

4.10 Additional benefits contracts

- (a) The Employer and an Employee may agree, subject to the Trustee's approval, to provide for the payment of additional contributions in respect of that Employee in return for the provision to that Employee of extra Benefits.
- (b) The Trustee has power for the purposes of this Clause 4.10 to enter into additional benefits contracts and to carry those contracts into effect.
- (c) The Trustee must credit any contributions towards an additional benefits contract to the Member's Account.
- (d) Interest on the contributions referred to in paragraph (c) must be added to those contributions and must be distributed yearly as determined by the Trustee on the advice of the Actuary.

4.11 Temporary Disability Benefit

- (a) This Clause 4.11 applies if the Trustee determines that a Member who has applied under Clause 4.3 of this Part 4 to retire on the ground of Disability is likely to recover substantially from injury, disease or infirmity.
- (b) The Trustee is to pay the Member a Benefit calculated in accordance with Clause 4.3 of this Part 4 for a limited period not exceeding 2 years from the date that the Trustee makes its determination under paragraph (a) and Clauses 4.3(a), 4.3(c) and 4.3(d) of this Part 4 apply accordingly.
- (c) The annual amount of the temporary Disability Benefit payable to the Member during the limited period must not exceed the annual rate determined by dividing the opening balance in his or her Disability Beneficiary's account under Clause 4.3 of this Part 4 by 12. The annual rate will then be paid in monthly instalments.
- (d) The Trustee must within 12 months of making its determination under paragraph (a) conduct a review to determine whether:
 - (1) paragraph (a) still applies; or
 - (2) the Member is suffering from a Disability and may retire on the ground of Disability; or
 - (3) the Member is suffering from Ill Health and may retire on the ground of Ill Health; or
 - (4) the Member is not suffering from Disability or Ill Health.
- (e) If paragraph (d)(1) applies, the Trustee must conduct a further review not later than 2 months before the expiry of the limited period.
- (f) If paragraph (d)(2) applies, the Member is entitled to a Benefit under Clause 4.3 of this Part 4 calculated on the balance of his or her Disability Beneficiary's account as at the date the review is determined.

- (g) If paragraph (d)(3) applies, the Member is entitled to a Benefit equal to the lesser of the amount calculated in accordance with Clause 4.6 of this Part 4 or the amount of his or her Disability Beneficiary's account as at the date of retirement.
- (h) If paragraph (d)(4) applies, the Member ceases to be entitled to a Benefit under this Clause 4.11.
- (i) If the Member fails to comply with a requirement by the Trustee to attend a medical examination or to provide information to the Trustee required by the Trustee so as to determine whether the Member is still suffering from a Disability or is gainfully employed, the Trustee may by notice in writing to the Member suspend payment of the Benefit.
- (j) If the Member has not complied with a requirement under paragraph (i) within 30 days of being served with a notice of suspension, the Trustee may by further notice in writing to the Member cancel payment of the Benefit.
- (k) The Trustee may at a further review determine that:
 - (1) the Member is suffering from a Disability and may retire on the ground of Disability; or
 - (2) the Member is suffering from Ill Health and may retire on the ground of Ill Health; or
 - (3) the Member is not suffering from Disability or Ill Health.
- (l) If paragraph (k)(1) applies, the Member is entitled to a Benefit under Clause 4.3 of this Part 4 calculated on the balance of his or her Disability Beneficiary's account as at the date the review is determined.
- (m) If paragraph (k)(2) applies, the Member is entitled to a Benefit equal to the lesser of the amount calculated in accordance with Clause 4.6 of this Part 4 or the amount of his or her Disability Beneficiary's account as at the date of retirement.
- (n) If paragraph (k)(3) applies, the Member ceases to be entitled to a Benefit under this Clause 4.11.

5 Other terms and conditions

5.1 Long service leave and termination of employment

If:

- (a) an Employee is entitled to a Benefit on ceasing to be employed by the Employer; and
 - (b) the Employer has granted the employee long service leave, which will terminate on the same date as the Employee's cessation of employment with the Employer; and
 - (c) the Employee so requests and the Trustee agrees,
- the Trustee may pay to the Employee the Benefit at any time during the long service leave and may do so on any conditions which the Trustee determines.

5.2 Payment of Benefits

- (a) If, under this Part 4, the Trustee has not paid the whole or part of any Benefits within two months after the entitlement to them has arisen, the Trustee must pay:
- (1) the unpaid Benefits; and
 - (2) interest on the unpaid Benefits from a date one month after the entitlement date until the date of payment at the Net Earning Rate.
- (b) The Trustee may withhold the payment of any Benefits for reasons of the absence of satisfactory proof of age, identity, survival or death, but interest accrues on those Benefits under paragraph (a).

5.3 General powers of Trustee in respect of Benefits

The Trustee has power for the purposes of this Part 4:

- (a) to provide any Benefits under this Part 4 in the form of lump sum superannuation payments, annuities, pensions, retiring allowances or payments on the death of Employees; and
- (b) may carry out any acts, matters or things which are incidental to the matters referred to in paragraph (a).

6 Taxation

- (a) In this Clause 6:

"affected member" means in relation to a benefit reduction which has occurred under section 68(2) or (3) of the PSSA a person who was a member of LASF immediately before the date from which that reduction commenced to apply.

"after-tax benefit" means the amount of benefit after allowing for income tax calculated at the rates and in the manner as at the special commencement date applicable to a person aged 55 years or more.

"special commencement date" means 30 November 1993.

"detriment" means receiving a lesser amount of after-tax benefit than would have been received if the benefit:

- (1) had not been reduced in accordance with sections 68(2) and (3) of the PSSA; and
- (2) had been an untaxed benefit.

"post-June 1983 component" has the same meaning as in section 27A of the tax law.

"rebateable 27H amount" has the same meaning as in section 159SJ of the tax law.

"tax law" means the *Commonwealth Income Tax Assessment Act 1936* as in force at the special commencement date.

"taxed element" has the same meaning as in section 27A of the tax law.

"taxed" in respect of a Benefit means a Benefit in relation to which there is a taxed element or a rebateable 27H amount as the case may be.

"untaxed" in respect of a Benefit means a Benefit in relation to which there is no taxed element or rebateable 27H amount as the case may be.

- (b) If, having received an application from an affected member in accordance with paragraph (d), the Trustee is satisfied that a reduction in Benefits has resulted in an unreasonable detriment to the Member in respect of a Benefit which has become payable to the Member, the Trustee may take such steps, including without limitation increasing the Benefit, as the Trustee considers necessary to avoid or compensate for that detriment.
- (c) An affected member may within 3 months of a Benefit becoming payable from the Fund (or any longer period approved by the Trustee if the Trustee considers that there are special circumstances) apply to the Trustee for a review of the amount of the Benefit.
- (d) The application must be in a form and contain and be accompanied by information prescribed by the Trustee.
- (e) The Trustee must not consider an application for review under paragraph (c) on any ground other than unreasonable detriment.
- (f) In determining whether an unreasonable detriment exists and the extent of that detriment:
 - (1) the Trustee must act on the advice of the Actuary, given either generally or in any specific case; and
 - (2) the Actuary must have regard to the following factors:
 - (A) the receipt by a Member of a post-June 1983 component of the Benefit classified for the purposes of the tax law as a taxed element rather than as an untaxed element; and
 - (B) the rates of Tax and the basis for its assessment under the tax law as at the special commencement date in respect of a Benefit that becomes payable to a person aged 55 years or more; and
 - (C) any other matters the Actuary considers relevant.