

Quadrant Defined Benefit Fund Summary

As a member of the Quadrant Defined Benefits fund, your superannuation benefits are worked out according to a formula based on a range of factors which may include your salary and the number of years you have been a member. Using a formula means that the amount of your benefit can be defined in advance. This is why it is called a 'defined benefit'.

This fund summary will explain some important information about the Quadrant Defined Benefits fund. You may need to refer to the *Quadrant trust deed* for more information not covered in this fund summary which you can obtain by contacting us on 1800 222 209.

The Quadrant Defined Benefits fund is closed to new members and consists only of those members as at 30 June 1997 who have not exited or transferred from the fund.

How your withdrawal benefit is calculated

If you are **under 55 years of age** your withdrawal benefit is the total of your 'Member Regular', 'Member Voluntary' and 'Award' accounts, minus your 'Liability' account, plus the greater of:

1. An additional 'Vested%' of your 'Member Regular' account **OR**
2. Your 'Notional Superannuation Guarantee' account.

If you are **55 years of age or over** your withdrawal benefit is the greater of:

1. Your 'Accrued Retirement Benefit Multiple' times your 'Final Average Salary' plus your 'Member Voluntary' and 'Award' accounts minus your 'Liability' account **OR**
2. The total of all your accounts **OR**
3. The total of your 'Member Regular', 'Member Voluntary' and 'Award' accounts, minus your 'Liability' account, plus 'Vested%' of your 'Member Regular' account.

Please refer to the definitions below for more information on how benefits are calculated.

Please note that the Quadrant Defined Benefit fund is reviewed and member benefits updated annually effective 30 June.

Definitions

The **Member Regular account** is for your compulsory member contributions made from either after-tax income or via salary sacrifice, less tax, plus/less any earnings at the applicable crediting rate of the fund.

The **Member Voluntary account** is for any personal after-tax contributions made above the compulsory contribution amount and also includes any rollovers or transfers into Quadrant, Government co-contributions and additional salary sacrifice contributions, less tax, plus/less any earnings at the applicable crediting rate of the fund.

The **Award account** is for the Award contributions you have elected to be made to Quadrant less tax, plus/less any earnings at the applicable crediting rate of the fund.

The **Notional Superannuation Guarantee account** is related to the Superannuation Guarantee legislation. This account is used to ensure that you receive at least the minimum Superannuation Guarantee benefit upon leaving the Quadrant Defined Benefits fund.

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The **Liability account** records any withdrawals from your account including family law splits, surcharge tax assessments from the Australian Taxation Office and insurance premiums (if applicable) plus/less any earnings at the applicable crediting rate of the fund.

The **Vested %** is the amount of the employer contributions allocated to you when you leave the Quadrant Defined Benefits fund. It is calculated as being 5% of your 'Member Regular account' for each completed year of membership after five years up to a maximum of 100%.

Example: if you have had 15 years of membership your vesting rate would be 50%.

15 years membership - 5 year waiting period = 10 years

10 x 5% = 50%

The **Accrued Retirement Benefit Multiple** is the multiple used for the calculation of your withdrawal benefit from age 55 up to age 65. The calculation is based on the period of actual eligible service (in completed years and months in each category of the fund) multiplied by the accrual rate of the relevant category.

Your 'Accrued Retirement Benefit Multiple' is shown on your *annual benefit statement* (where over age 55) or *benefit quote* if requested. This multiple increases by the relevant accrual rate as shown below, for every complete year and month after this date. Your actual eligible service period will be adjusted for any leave without pay or part-time hours worked within this time.

Category of fund	Accrual rate
Category 72	12.5%
Category 82	15.0%
Category 85	15.0%

Example: If you are a member of category 85, your Accrued Retirement Multiple was 2.150 at 30 June 2009 and you wanted to calculate what the multiple would be at 31 December 2011, the calculation would be as follows:

Period 30 June 2009 to 31 December 2011 = 2 years 6 months

Calculate to 31 December 2011 = 2.150 + (2 years 6 months x 15.0%)

= 2.150 + (2.5 x 0.150)

= 2.525 Accrued Benefit Multiple

The **Retirement Benefit Multiple** is the multiple used for the calculation of your withdrawal benefit at your normal retirement date of age 65. This multiple is calculated in the same manner as your 'Accrued Retirement Benefit Multiple' however the period used (in complete years and months) is from the date you joined the fund to your 65th birthday. Your actual eligible service period will be adjusted for any leave without pay or part-time hours worked within this time.

The 'Retirement Benefit Multiple' is also used to calculate your death and total and permanent disablement benefit. Please refer to the insurance benefit section for full calculations.

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The **Final Average Salary** is the salary used in the calculation of your withdrawal benefit as detailed below.

Category of fund	Final Average Salary
Category 72 and 82	The average of your salary at the date of retirement plus the four years preceding retirement
Category 85	The average of your salary at the date of retirement plus the two years preceding retirement

The **Superannuation Salary** is the salary used for the calculation of contributions and benefits from the fund. It is based on your gross wages or salary excluding bonuses, overtime or ex gratia payments. This information is provided by your employer annually on review or upon your withdrawal.

Defined Insurance Benefits

Death and total and permanent disablement benefits are calculated in accordance with a formula. Part or all of your death and total and permanent disablement benefits may be insured with an insurance company. Your benefit shown on any supporting documentation provided will be relevant at the specified date however the amount may change depending on your individual circumstances. Quadrant's insurer may reduce the benefit it pays for a particular claim in certain circumstances. Insurance premiums for the defined benefit component of your death and total and permanent disablement benefits are paid by the fund and not deducted from your account.

Death benefit

Your 'death benefit' is calculated as follows:

Retirement Benefit Multiple x your superannuation salary at the last review date

Plus your

- *Member Voluntary account*
- *Award account*
- *Any additional insurance (including fixed cover, Award insurance or insurance transferred from another superannuation fund)*

Minus your

- *Liability account*

Total and permanent disablement benefit up to age 55

Your 'total and permanent disablement benefit' is calculated as follows:

Retirement Benefit Multiple x your superannuation salary at the last review date

Plus your

- *Member Voluntary account*
- *Award account*
- *Any additional insurance (including fixed cover, Award insurance or insurance transferred from another superannuation fund)*

Minus your

- *Liability account*

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Total and permanent disablement benefit between age 55-60

Your total and permanent disablement benefit reduces after age 55 and ceases at age 60. After age 60 you receive your withdrawal benefit plus any additional insurance you may have.

Additional insurance cover

You may have or wish to apply for additional insurance cover over and above your defined benefits.

Death and total and permanent disablement cover

Additional death and total and permanent disablement cover is fixed based on the set amount of cover you wish to nominate in multiples of \$1,000. The amount of cover remains the same however the premium increases as you get older.

Income protection cover

Income protection cover provides a benefit when you are unable to work due to total disablement, whether from sickness or injury, for longer than the selected waiting period. This benefit will be paid monthly for a maximum period of two years or until you reach age 65, depending on the type of cover you choose.

Transfer of cover from a previous superannuation fund

You may also be eligible to transfer your death cover, total and permanent disablement cover and/or income protection cover from your previous superannuation fund to Quadrant.

The premium for additional insurance cover is deducted from your 'Liability' account annually in advance. Please contact us on 1800 222 209 for more information about additional insurance cover.

Insurance cover upon leaving the fund

Please note that your insurance cover automatically ceases upon you leaving Quadrant.

If you transfer your benefit to the Quadrant Investment Choice fund, your insurance cover may continue. Your death and total and permanent disablement cover will no longer be linked to your service in the Defined Benefits fund and it will be converted to equivalent unitised cover as applicable in the new fund. Please contact us on 1800 222 209 for more information about insurance cover provided in the Quadrant Investment Choice fund.

Payment of your superannuation upon your death

This is a topic that unfortunately will affect all of us at some stage in our lives. So to prepare yourself for the next step you may wish to consider what will happen with your superannuation funds when you die.

Your 'death benefit' is the amount that will be paid from your superannuation account at the time of your death, to your legal personal representative and/or dependants. If you have additional insurance cover in place then an additional amount may also be paid.

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There are two ways in which you can nominate how the Quadrant Trustee can deal with your benefit upon your death. They are:

- Non-binding death benefit nomination (also known as 'preferred beneficiaries')
- Binding death benefit nomination

To find out more please refer to the *nominating beneficiaries fact sheet* which can be downloaded from our website at www.quadrantsuper.com.au.

Other important information regarding your defined benefits

Normal retirement age

The normal retirement age for the Quadrant Defined Benefits fund is 65 years.

Early retirement age

The early retirement age for the Quadrant Defined Benefits fund is 55 years.

Your account after age 65

Once you reach age 65 you can no longer remain a member of the Quadrant Defined Benefits fund. Your normal retirement benefit amount will be transferred to an account in the Quadrant Investment Choice fund unless you provide alternative instructions. You and your employer can continue to make contributions to your new account.

Leave without pay

When you are on a period of leave without pay you and your employer are not required to make contributions to your account. The period of leave without pay is not included in the calculation of your Retirement Benefit Multiple.

Part-time employment

If you work part-time contributions and benefits will be adjusted to reflect your part-time employment status.

Contribution rates

Contribution type	Category 72	Category 82 and 85
Member – <i>compulsory</i>	5%	6%
Deemed member – <i>if compulsory contributions made under salary sacrifice arrangement</i>	6%	7.06%
Voluntary	Optional	Optional
Salary sacrifice – <i>amounts above deemed member contributions</i>	Optional	Optional
Award	Optional	Optional
Rollovers/transfers	Optional	Optional

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Employer contributions are paid at a rate determined by the Actuary to cover the benefits of the fund and are allocated to you on leaving employment.

Crediting rate

The return you receive on your accumulation account is calculated by applying the fund's crediting rate to the balance of your account. The final crediting rate for the Quadrant Defined Benefits fund is determined by the Quadrant Trustee. The crediting rate is based on the investment return on the Fund's assets, adjusted for fees and taxes in accordance with the crediting rate policy adopted by the Quadrant Trustee. The Trustee may also take into account other factors from time to time to ensure the crediting rate adopted is equitable.

The crediting rate for the fund may be positive or negative depending upon the returns from the underlying investment markets. The crediting rates may also be used to calculate the benefit entitlements of a defined benefit member who leaves the services of their current employer before reaching age 55.

The crediting rate is net of fees and charges so in true Quadrant style – what you see is what you get with no hidden fees, costs or taxes. Please refer to our website at www.quadrantsuper.com.au for the latest crediting rates.

An interim crediting rate is calculated weekly and applies to members exiting the Quadrant Defined Benefits fund prior to the calculation of the annual crediting rate. It is used to calculate your benefits from your last review date to your benefit calculation date. Late interest rate is interest accrued on your benefits from the benefit calculation date up to the date of payment. It is calculated at the Quadrant cash rate less the management expense ratio.

Preservation of benefits

Subject to the government legislation and the trust deed, any 'unrestricted non-preserved' part of your benefit can be taken in cash (less tax) at any time. Any 'restricted non-preserved' part of your benefit can be taken in cash (less tax) when you leave your current employer. The 'preserved' part of your benefit cannot be paid to you in cash unless it is less than \$200 or until you satisfy a condition of release. Please contact us or refer to our website at www.quadrantsuper.com.au for more information about the preservation of your benefits.

Fees and costs

The expenses for the operation and management of the Quadrant Superannuation Scheme are allocated to members through direct fees and other management costs. Other management costs include all ongoing administration, investment management, expense recovery and other fees charged by the Scheme. Any direct fees charged to your account will be reflected in your statement as a separate total.

Any other management costs for Quadrant are calculated based on the actual costs incurred for the overall Scheme and apportioned to the Quadrant Defined Benefits fund. The crediting rate declared is net of the other management costs. Please refer to our website at www.quadrantsuper.com.au for the latest fees.

Superannuation surcharge

Superannuation surcharge is a tax that applies to higher income earners. Where applicable, your benefits are reduced for any surcharge tax assessments received from the Australian Taxation Office prior to your withdrawal date and will be reflected on your relevant statements.

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From 1 July 2005, any surcharge payable on contributions was abolished by the Australian Government. Any surcharge applicable up to 30 June 2005 will still be payable from your superannuation benefit. A Liability account has been set up to record the liability that will attract interest at the crediting rate of the fund.

Leaving employment

If you are leaving your employer or retiring from the workforce you will need to decide what to do with your Quadrant superannuation benefit.

Your circumstances will be different depending on whether you are retiring permanently or just starting a new job. But regardless of your situation there are a number of options available to you. Please refer to the *what happens to your superannuation when you leave your employer fact sheet* which you can download from our website at www.quadrantsuper.com.au for more information.

Financial advice on superannuation

Information and guidance on your super account with Quadrant is just a phone call away. Our Member Services team can provide you with advice on all aspects of your super. We also have licensed financial planners (provided by Quadrant First Pty Ltd AFSL no 284443) available to provide you with expert advice for all of your other financial needs.

Privacy policy

In the course of conducting its normal business activities the Quadrant Trustee collects, records, maintains and uses personal information, which members rightly expect to be relevant, accurate, verifiable and secure.

Our *privacy policy* outlines the type of information we will keep about you. It explains how we or any organisation we appoint to provide services to you on our behalf will use this information. To view Quadrant's privacy policy please visit our website at www.quadrantsuper.com.au.

Enquiries and complaints

We hope that you will never have cause to complain. However, if you (or any person making a claim in respect of your membership of the fund) wish to make a formal complaint regarding any aspect of the management or operation of Quadrant (including privacy issues) you should contact the Complaints Officer on 1800 222 209 or write to:

Complaints Officer
Quadrant Superannuation
GPO Box 863, Hobart TAS 7001

The letter of complaint should include:

- Your name, address and telephone number
- Your membership number
- An outline of the complaint
- The Quadrant staff you have dealt with
- Any relevant supporting documentation.

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The superannuation legislation prescribes that your complaint should be dealt with within 90 days. If necessary, your complaint will be referred for consideration to the Quadrant Trustee. You will be kept informed of the progress of your complaint.

Superannuation Complaints Tribunal

If you are not satisfied with a decision of the Quadrant Trustee, you may make a complaint to the Superannuation Complaints Tribunal. This can be done by contacting them on 1300 884 114.

The Superannuation Complaints Tribunal is an independent body established by the Australian Government to deal with complaints by superannuation fund members and beneficiaries.

The Superannuation Complaints Tribunal can only hear a complaint if the matter has been dealt with through a fund's internal complaints resolution process and the member or beneficiary involved is not satisfied with the outcome.

The Superannuation Complaints Tribunal cannot deal with a complaint that is subject to court proceedings or concerns the management of the fund as a whole.

A complaint to the Superannuation Complaints Tribunal must be made within the time limits set out in the legislation.

Further information about the Superannuation Complaints Tribunal can be obtained at www.sct.gov.au.

Other information you may request

You may request information to help you understand your benefit entitlements or the main features of the fund, or to enable you to make an informed judgement about the management and financial condition of the fund.

You may request a copy of:

- The most recent Annual Report to members
- The most recent audited accounts together with the auditors' report in relation to the accounts
- The trust deed and rules
- The group life and income protection policies issued to the Quadrant Trustee
- The risk management plan
- The privacy policy.

November 2011

Disclaimer

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