

# 2018 SUPPLEMENTARY ANNUAL REPORT

## Mercer Super Trust Suncorp Pension Plan (your plan)

Issued December 2018

Your 2018 Mercer Super Trust Annual Report is made up of two parts:

- **Part one** - (your Mercer Super Trust - Annual Report 2018) contains a general update on how the fund has performed and information on changes that may have impacted on your super for the year ended 30 June 2018.
- **Part two** - (this 2018 Supplementary Annual Report) contains updated information specific to your plan for the year ended 30 June 2018.

Both parts should be read in conjunction with each other. Where we refer to the annual report, we're referring to both parts collectively.

## ABOUT YOUR PLAN

### Plan assets

|                                 |              |
|---------------------------------|--------------|
| As at 30 June 2018 <sup>^</sup> | \$11,399,217 |
|---------------------------------|--------------|

<sup>^</sup> This figure is on a cash basis. This means that it does not allow for any accruals such as outstanding contributions or benefits due as at 30 June 2018.

## YOUR PLAN STYLE

Your plan provides members with defined benefit style super where generally some or all of your super relates to salary and years of membership/service.

## EMPLOYER SUPERANNUATION GUARANTEE CONTRIBUTIONS

By law your employer is generally required to provide a minimum level of super for its employees - the Superannuation Guarantee (SG). There may be some circumstances where your employer is not required to meet the SG. The SG is the amount the employer must provide for each employee, not a minimum amount to be contributed to each fund. Your employer may provide the SG through more than one fund. The SG rates are set out below:

| Period                      | SG - % of Ordinary Time Earnings (OTE*) |
|-----------------------------|---|
| 1 July 2017 to 30 June 2018 | 9.50%                                   |
| 1 July 2018 to 30 June 2019 | 9.50%                                   |

\* OTE refers to your remuneration, which generally includes your regular salary or wage, any over-award payments, shift allowances, bonuses and commissions. It generally does not include overtime payments or benefits subject to fringe benefits tax.

An employer is only required to provide SG on OTE up to the maximum contribution base, which is \$52,760 per quarter for the year ending 30 June 2018 (\$54,030 per quarter for the year ending 30 June 2019) and is indexed on each 1 July.

For employee members, the benefits paid by the plan must be equal to or greater than a minimum level specified by your plan's actuary. This amount is deemed to be equivalent to an employer contribution equal to the SG amount.

The amount your employer contributes varies depending on the advice of an actuary. At least every three years, the plan's actuary prepares an investigation report that states how much your employer needs to contribute so that plan assets are expected (on the actuary's assumptions) to be sufficient to meet any super payouts now and in the future. Please see 'Financial position of the plan' for more information about employer contributions and the financial position of the plan generally.

## FINANCIAL POSITION OF THE PLAN

As at 30 June 2018, the value of the plan's assets was 108% of (i.e. greater than) the sum of all members' super payouts assuming all employed members ceased employment at that date. This means the plan was in a satisfactory financial position at that date, as defined by superannuation legislation.

Since the last actuarial investigation, 30 June 2017, your employer has contributed in line with the contributions recommended by the plan's actuary.

**Note:** Any reference to members in the above section includes defined benefit members and lifetime pensioners of the plan.

## ACCRUED BENEFITS CALCULATION

As at 30 June 2018, the value of the plan's assets was 108% of (i.e. greater than) the plan's accrued benefits. As at 30 June 2018, the plan's accrued benefits amounted to \$10,563,230.

The plan's accrued benefits are:

- For accumulation members, the sum of their super payout assuming they ceased employment at that date, plus
- For defined benefit members, the actuarial present value at the valuation date of the amount required to meet the proportion of future benefit payments attributed to membership completed at the valuation date.
- For pensioners, the present value of their future pension payments.

The main assumptions used to determine the value of accrued benefits for defined benefit members and pensioners are shown below.

The plan's Actuary considers the following movements in the assumptions used to calculate the accrued benefits are reasonably possible for the reporting period:

| Assumption                                 | Rate used at 30 June 2018 | Reasonably possible change | Amount of increase in accrued benefits | Amount of decrease in accrued benefits |
|--|---------------------------|----------------------------|--|--|
| Discount rate (or Investment earning rate) | 5.0%                      | 1%                         |  | \$758,287                              |
|  |                           | 1%                         | \$883,019                              |  |
| Pension indexation rate (if applicable)    | 2.25%                     | 0.5%                       | \$409,527                              |  |
|  |                           | 0.5%                       |  | \$382,588                              |

## POLICY COMMITTEE

Your plan does not currently have a policy committee.

A policy committee made up of equal member-elected and employer-appointed representatives, can be re-established in the future following a request in writing from at least five plan members.

## CHANGE IN NET ASSETS IN YOUR PLAN TO 30 JUNE 2018

|                                   |                     |
|-----------------------------------|---------------------|
| <b>Net assets at 1 July 2017</b>  | <b>\$12,182,364</b> |
| <b>Plus</b>                       |                     |
| Net investment revenue            | \$552,927           |
| Employer contributions*           | \$0                 |
| Member contributions              | \$0                 |
| Government co-contributions       | \$0                 |
| Transfers <sup>^</sup>            | \$0                 |
| Insurance proceeds                | \$0                 |
| <b>Total revenue</b>              | <b>\$552,927</b>    |
| <b>Less</b>                       |                     |
| Benefits paid                     | \$1,383,347         |
| Administration fees               | \$0                 |
| Group insurance premiums          | \$0                 |
| Contributions and surcharge tax   | -\$47,273           |
| <b>Total expenses</b>             | <b>\$1,336,074</b>  |
| <b>Equals</b>                     |                     |
| <b>Net assets at 30 June 2018</b> | <b>\$11,399,217</b> |

\* The amounts shown as employer contributions include any pre-tax or salary sacrifice member contributions.

<sup>^</sup> Transfers includes: transfers in from other plans and net transfers from and to other MST plans.

This information has been prepared on a cash basis.

The financial information contained in this Supplementary Annual Report for your plan has not been audited. This information does form part of the full financial accounts for the Mercer Super Trust in which your plan participates. You can request a copy of the Mercer Super Trust full audited accounts and the auditor's report by contacting the Helpline.

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It is also recommended that you obtain advice from a licensed, or appropriately authorised, financial adviser.

You should be aware that the value of an investment in the Mercer Super Trust may rise and fall. Neither MSAL, Mercer nor any of the investment managers guarantees the investment performance, earnings or return of capital invested in the Mercer Super Trust. © 2018, Mercer LLC. All rights reserved.

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## STATEMENT OF FINANCIAL POSITION OF YOUR PLAN AT 30 JUNE 2018

### Assets (investment options)

|                                      |                     |
|--------------------------------------|---------------------|
| <b>Ready-made investment options</b> |                     |
| Mercer Conservative Growth           | \$11,399,217        |
| <b>Total</b>                         | <b>\$11,399,217</b> |