Mercer

Westpac Group Plan

Product Disclosure Statement

1 April 2023

Defined Benefit Members
(former Westpac Staff Superannuation Plan members)

Contents

About this Product Disclosure Statement

Westpac Banking Corporation ABN 33 007 457 141 (referred to as your Employer or Westpac) has chosen to provide superannuation and pension benefits for its eligible members through the Defined Benefit section of the Westpac Group Plan (referred to as your Plan*) within the Employer Super section in the Corporate Superannuation Division (CSD) in the Mercer Super Trust.

*Any reference in this PDS to 'your Plan' means a reference to the Defined Benefit section, unless otherwise specified.

This Product Disclosure Statement (PDS) only applies to members in the Defined Benefit section of your Plan who were defined benefit members of the former Westpac Staff Superannuation Plan* and is a summary of the main features applicable to those members of your Plan. The Defined Benefits section is closed to new members.

*This PDS does not apply to members of your Plan who were defined benefit members of the former St George Plan – refer to the separate PDS for these members if required.

This PDS also includes references to important information in the *Investments* and the *Sustainable Investments Information* booklets for your Plan (Incorporated Booklets), which are incorporated into and form part of this PDS. You should read the information in this PDS and the Incorporated Booklets before making a decision about the Plan.

The information including the case studies (examples) contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. Before acting on this information, you should consider whether it is appropriate to your objectives, financial situation or needs. You should get financial advice tailored to your personal circumstances.

You can get a copy of this PDS or the Incorporated Booklets at **mercersuper.com.au/westpacgroupplan** or by calling the Plan's Defined Benefit Helpline on **1800 227 262**. The information in this PDS and the Incorporated Booklets may change. You can obtain updated information that is not materially adverse at **mercersuper.com.au/westpacgroupplan** or by calling the Helpline to request a copy of the information free of charge. Changes that are materially adverse will be advised to you as required by law.

Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533 Australian Financial Services Licence (AFSL) 235906 is the trustee of the Mercer Super Trust ABN 19 905 422 981. In this PDS, MSAL is called trustee, we or us.

Mercer Outsourcing (Australia) Pty Ltd (MOAPL) ABN 83 068 908 912 AFSL 411980, Mercer Investments (Australia) Limited (MIAL) ABN 66 008 612 397 AFSL 244385 and AIA Australia Limited (AIA) ABN 79 004 837 861 AFSL 230043 are named in this PDS and have consented to being so named.

AIA is the insurer of the group insurance policy for your Plan.

The trustee has an agreement with Australian Administration Services Pty Limited ABN 62 003 429 114, which is part of the Link Group (Link), to provide certain administration services, including the Helpline and online accounts, for the Defined Benefit section of the Plan.

Mercer Consulting (Australia) Pty Ltd (MCAPL) ABN 55 153 168 140 provides actuarial and advisory services.

MSAL, MOAPL, MIAL and MCAPL are wholly owned subsidiaries of Mercer (Australia) Pty Ltd (Mercer) ABN 32 005 315 917.

MSAL is responsible for the contents of this PDS and is the issuer of this PDS.

MOAPL, MIAL, MCAPL, Mercer, Link, Westpac and AIA are not responsible for the issue of, or any statements in, this PDS or the Incorporated Booklets. They do not make any recommendation or provide any opinion regarding the CSD or an investment in the Mercer Super Trust.

The value of the investments in the CSD may rise and fall from time to time. MSAL, MOAPL, MIAL, MCAPL, Mercer, Link, Westpac and AIA do not guarantee the investment performance, earnings, or the return of any capital invested in the CSD.

How to contact us

Helpline

Call the Helpline for the Defined Benefit section of your Plan on **1800 227 262** from 8.30am to 5.30pm AEST Monday to Friday.

Email

Email the Helpline for the Defined Benefit section of your Plan at **wsspadmin@linksuper.com**.

Online

mercersuper.com.au/westpacgroupplan

With your personal login, you are able to access information to help keep you up to date and informed about your super in the Mercer Super Trust and other relevant information, including:

- details of your defined benefit super
- confirmation of transactions
- an annual member statement showing changes to your super
- investment updates and member communications to keep you informed

On our website you can also access:

- notification of all material changes and the occurrence of significant events
- an online *Mercer Super Trust Annual Report* to bring you up to speed on investment performance and what's happened in the Mercer Super Trust and your Plan over the year. You can access the *Mercer Super Trust Annual Report* from **mercersuper.com.au** or you can request a hard copy free of charge from the Helpline
- access to a wealth of information and interactive planning tools.

Our online tools include:

- up to date information on investment options
- information from our wealth education experts
- financial planning tools.

Our website is available 24 hours per day, seven days per week. However, the website may not be available when we need to carry out scheduled updates or maintenance.

By mail

General correspondence and forms

Westpac Group Plan – Defined Benefits

c/ Link Group

Locked Bag A4055

Sydney South NSW 1235

To write to the trustee

Mercer Superannuation (Australia) Limited

GPO Box 4303

Melbourne VIC 3001

Keep your contact details up to date

We can only send you information if we have your current contact details. You can update your details through Westpac's PeopleHQ employee system, which will then be provided through to your Plan.

We will send member communications to you by post (including member statements and significant event notices).

Member privacy

We collect, use and disclose personal information about you in order to manage your superannuation benefits and give you information about your super.

Our *Privacy Policy* outlines the type of information we keep about you and how we, and any organisations we appoint to provide services on our behalf, will use this information. If you do not provide the personal information requested, we may not be able to manage your superannuation.

You can read our *Privacy Policy* online at **mercer.com.au/privacy** or you can obtain a copy by calling the Helpline. The policy also includes details about how you may lodge a complaint about the way we have dealt with your information and how we will handle that complaint.

The administrator for the Defined Benefits section of your Plan is Australian Administration Services Pty Limited, which is part of the Link Group. A copy of Link's Privacy Policy is available at **linkgroup.com/docs/Link_Group_Privacy_Policy.pdf**.

Make an enquiry or complaint

If you need to make an enquiry, we are here to help.

You can call the Helpline or download copies of documents from our website **mercersuper.com.au/documents**.

Some of these documents include:

- the insurance contract with the Insurer, sometimes called the policy document
- the trust deed that governs the operation of the Mercer Super Trust
- the designated rules covering the general operation of your Plan.

You can make an enquiry to access any personal information we hold about you or information we hold in relation to a claim or complaint you have made, including information that was relied upon by the trustee to decide your claim or complaint.

We will provide you with information without requiring you to make an insurance claim or complaint. If you are not satisfied with our conduct, our response or our decision, or the conduct or decision of our Insurer, you can make a complaint. Refer to the 'Enquiries and Complaints' section at the end of this PDS.

About the Mercer Super Trust

Choose a leader in super you can trust

As a defined benefit member of your Plan, you are a member of the Corporate Superannuation Division (CSD) in the Mercer Super Trust.

You have the flexibility to remain in the Mercer Super Trust throughout your career and stages of life, including retirement.

We are global and local experts in super

We have a wealth of local superannuation expertise and are committed to delivering strong retirement outcomes for Australians.

Our members benefit from leveraging Mercer's global scale and the insights of our team of investment experts around the world.

With you for your super journey

The Mercer Super Trust is a registered superannuation fund made up of the CSD, a Retail Division and an Allocated Pension Division (known as Mercer SmartRetirement Income).

Westpac has chosen to provide defined benefit superannuation and pension benefits for its eligible employees through the CSD.

Benefits of investing with the Mercer Super Trust

As a Mercer Super Trust member, you benefit from the following:

- membership of one of the largest superannuation master trusts in Australia
- diverse range of investment options for your SuperSave account and the choice to manage these investments, or simply to 'set and forget'
- answers to many of your super questions via the Helpline
- 24/7 access to your super account (including beneficiaries, investments, plus account monitoring) via your online account
- online tools and calculators to help you understand what your financial future might look like
- member communications and investment updates.

At **mercersuper.com.au** you can find trustee and executive remuneration disclosure for the Mercer Super Trust and any other documents that must be disclosed under the Superannuation Industry (Supervision) Act 1993.

Useful terms used in this PDS

Actuary

Means a financial services specialist appointed by the trustee who performs financial risk analysis in respect to uncertain future events. From time to time the actuary is requested to provide advice in respect to your Plan's overall financial position including defined benefits in accordance with the rules of your Plan and superannuation law. For example, the actuary advises the trustee on the level of funding and any contributions that the Employer may be required to make to ensure that your Plan can meet your defined benefit payments and other member benefits.

Benefit Multiple

Means the factor used as part of the formula to calculate your defined benefit super payout. This factor depends on the rate at which you contribute to your super and for how long you contribute at that rate. See the 'How your defined benefit super works' section of this PDS for more information.

Employer

Means Westpac Banking Corporation ABN 33 007 457 141.

Final Average Salary (FAS)

For the purposes of calculating your defined benefit super payout, generally means your average Superannuation Salary during the last three years immediately before you cease to be employed by your Employer. See the 'How your defined benefit super works' section of this PDS for more information.

Preservation Age

Means the age at which you may be eligible to withdraw or receive your super in cash. Other criteria also applies to withdrawals. Your Preservation Age depends on your date of birth:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 - 30 June 1961	56
1 July 1961 - 30 June 1962	57
1 July 1962 - 30 June 1963	58
1 July 1963 - 30 June 1964	59
From 1 July 1964	60

Superannuation Salary

Means, in relation to a defined benefit member who is a full-time packaged employee, your annual salary excluding bonuses, or for a full-time unpackaged employee your normal annual salary excluding bonuses and temporary salary allowances, as advised by Westpac.

For part-time employees, Superannuation Salary means your hourly rate advised by Westpac converted to a full-time equivalent annual salary.

SuperSave account

Means an account (separate to the main defined benefit component of your super) to which you can make contributions on top of, or instead of, your nominated contributions. You can choose investment options for your SuperSave account (or the default option applies if you don't make a choice) and your account balance is adjusted for investment returns, which may be positive or negative. See 'SuperSave contributions' in the 'Contributions' section of this PDS for more information.

Transfer Option

Means an option available to you to receive the super benefits and options available to you as a defined benefit member of your Plan while you are still employed by Westpac. See the 'Transfer Option' section of this PDS for more information.

How your defined benefit super works

As a defined benefit member, the governing rules of your Plan specify the type and amount of super payout that you are eligible for under different circumstances. For example, if you retire at or after your Normal Retirement Age, if you resign before retirement, if you are assessed as being totally and permanently disabled or totally and temporarily disabled, or in the event of your death or terminal illness.

Your superannuation in the Plan is generally calculated as:

- the greater of a benefit based on either a defined benefit calculation or an accumulation-style calculation

plus

- the balance of your other accounts, including (where applicable to you):
  - SuperSave account
  - excess contributions account
  - surcharge account (negative balance)
  - early release account (negative balance).

Each of these components is described in the following sections, or see the 'Super payout before age 55' and 'Retirement payout at or after age 55' sections of this PDS for more information on your benefit calculation and options.

Defined benefit

The amount of your defined benefit is determined by a formula set out in the rules for your Plan. This formula is based on:

- your nominated contribution rate and your membership period in the Plan, which determine your Benefit Multiple, and
- your Final Average Salary.

It is important to understand each part of this formula – see the following sections for more details.

Investment performance does not affect the amount of the defined benefit component you receive when you leave your Employer.

Your Benefit Multiple

Your Benefit Multiple is determined by the rate at which you contribute during your membership and how long you contribute at that rate (subject to an overall limit of 5% p.a. average nominated contributions over your full membership).

You can contribute at any whole rate between 0% and 8% of your Superannuation Salary.

Each contribution rate has a corresponding benefit accrual rate, which is the increase in your Benefit Multiple each year, as shown in the table below.

Your benefit accrual rate is a key factor in how much your benefit grows over time. The higher your nominated contribution rate, the higher your Benefit Multiple, and therefore the higher the benefit you receive. For example, contributing at 4% for one year means your benefit increases in that year by 16% of your FAS, representing an annual increase in your Benefit Multiple of 0.16. Contributing at 5% means a benefit increase in that year of 18% of FAS.

Note: Although you can contribute at up to 8%, if your average contributions over your membership exceed 5%, the excess amount does not count towards your defined benefit growth but instead is credited to your excess contributions account, which is payable in addition to your benefits.

If your annual nominated contribution rate is…	Then your annual benefit accrual rate is…	And the annual increase in your benefit multiple is…
0%	8%	0.08
1%	10%	0.10
2%	12%	0.12
3%	14%	0.14
4%	16%	0.16
5%	18%	0.18
6%	20%	0.20
7%	22%	0.22
8%	24%	0.24

Example – contribution rate and Benefit Multiple growth

Maria has been a defined benefit member of the Plan for 15 years. She contributed 5% for the first 10 years, then 1% for the last 5 years. Maria's Benefit Multiple after 15 years is **2.30**, calculated as:

- For her 10 years contributing at 5%: a benefit accrual rate of 18% (0.18) × 10 years = **1.80, plus**
- For her 5 years contributing at 1%: a benefit accrual rate of 10% (0.10) × 5 years = **0.50**.

If you are a part-time employee, your Benefit Multiple is calculated on a pro rata basis, depending on the number of hours you work (excluding overtime hours).

Example – Benefit Multiple for part-time employees

If Maria (from the previous example) works part-time for 19 hours per week on average (compared to 38 full-time hours), her Benefit Multiple is **1.15**, adjusted based on her part-time hours as follows:

- 18% (0.18) × 10 years × 19/38 = **0.90, plus**
- 10% (0.10) × 5 years × 19/38 = **0.25**.

Maximum Benefit Multiple

The maximum Benefit Multiple you can build up is the lesser of:

- 7.20, which is the equivalent of contributing an average of 5% of your Super Salary over 40 years (i.e. an annual Benefit Multiple of 0.18 × 40 years), or
- an average of 0.18 for each year of membership on a pro rata daily basis.

Once you reach the maximum Benefit Multiple of 7.20, you can no longer make nominated contributions. However, you can continue building your super by contributing to your SuperSave account.

Example – maximum Benefit Multiple over your membership

Leila has been a defined benefit member of the Plan for 15 years. The maximum Benefit Multiple she could build up over that period (using the lesser of the two options described above) would be 2.70 (i.e. 0.18 × 15 years).

There are different ways Leila could have reached her maximum Benefit Multiple. For example, she may have contributed at 5% for each of the 15 years (i.e. 0.18 x 15 = 2.70).

Alternatively, she could have contributed at 4% for the first 10 years, then 7% for 5 years (i.e. [0.16 × 10] + [0.22 × 5] = 2.70.

In the second option, if Leila continues to contribute at 7% beyond the 15 years, only her nominated contributions of 5% would count towards her benefit during this extra period. The excess 2% contributions would be allocated to her excess contributions account.

Your Final Average Salary (FAS)

For the purposes of defined benefits in your Plan, 'salary' means your Superannuation Salary, which depends on your employment mode and remuneration package (e.g. full-time, part-time, unpackaged or packaged).

Your FAS is normally the average of your annual Superannuation Salary in the three years immediately before you retire or leave your Employer. However, FAS may be calculated differently if you cease working before age 60 due to death or disability.

Packaged employees

If you're a packaged employee, your FAS is apportioned into two parts:

- Part 1: Before 31 December 1999 - FAS is calculated based on a super salary of 79.5%* of package value.
- Part 2: From 31 December 1999 - FAS is calculated based on 100% of package value.

* Some members may have a factor higher than 79.5%. Please call Helpline to find out if this applies to you.

Accumulation-style benefit

The accumulation-style benefit is not calculated according to a formula. Instead, it is calculated based on:

- nominated contributions you have made
- investment returns based on the investment performance of your Plan's defined benefit assets, which may be positive or negative
- a component funded by Westpac.

Other accounts

SuperSave account

If you would like to make contributions in addition to, or instead of, your nominated contributions, you can make these contributions to your SuperSave account.

You can decide how your SuperSave account balance is invested, by choosing from one or more of the investment options available in your Plan. For more information, see the 'Investments' section of this PDS or the *Investments* booklet for your Plan, available at **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

Your SuperSave account balance is affected by investment performance. Investment returns may be positive or negative and if they are negative, this reduces your account balance.

Fees and other costs also apply to your SuperSave account. See the 'Fees and costs' section of this PDS for more information.

Your SuperSave account balance is paid in addition to your defined benefit or accumulation-style benefit described above.

Excess contributions account

Your Benefit Multiple is based on a maximum nominated contribution rate of 5% each year, averaged over your membership period.

You can, however, contribute at a rate between 0% and 8% each year. Any nominated contributions above the 5% average are credited to your excess contributions account. This account balance is paid in addition to your defined benefit or accumulation-style benefit described above.

Early release account

If a request to withdraw part or all of your super benefit due to severe financial hardship or on compassionate grounds is approved before you leave employment with Westpac, the withdrawal amount paid is first deducted from your SuperSave account. If there is an insufficient balance in your SuperSave account, we will pay the remaining withdrawal amount to you and debit this amount to an early release account in your name. When you cease to be a defined benefit member of the Plan, your early release account balance (adjusted for investment returns) is deducted from your super benefit.

Surcharge account

The Federal Government abolished the superannuation surcharge effective 1 July 2005, so no surcharge is payable in respect of superannuation contributions made on or after 1 July 2005. However, the Australian Taxation Office (ATO) can make or amend surcharge assessments after 1 July 2005 for surchargeable contributions made in previous years.

If we receive a surcharge assessment for you, we will pay this tax on your behalf and debit the amount to a surcharge account in your name. When you cease to be a defined benefit member of the Plan, your surcharge account balance (adjusted for investment returns) is deducted from your super benefit.

If we receive a surcharge assessment after you have left the Plan, the liability transfers to you directly, or to any fund to which you have transferred any part of your benefit.

Contributions

Warning! Contribution caps apply to most concessional (before tax) and non-concessional (after-tax) contributions made to your super within a financial year. These caps apply per person regardless of how many super accounts you may have. You may need to pay extra tax on any contributions that exceed these caps. If you want to avoid excess contributions, it is your responsibility to make sure that the total contributions to your super do not exceed the caps.

Refer to the *Contributions Fact Sheet* at **mercersuper.com.au/pds** for more information on contribution caps.

Employer contributions

By law, your employer must provide you with superannuation benefits that are at least equal to the minimum Superannuation Guarantee (SG) rate.

Westpac contributes to the Plan as a whole, at a rate determined on the advice of the Plan's Actuary, to fund the benefits of all defined benefit members of the Plan.

A portion of Westpac's contribution is credited to your SG account. Your SG account may or may not be used when calculating your super payout when you leave employment with Westpac or choose the Transfer Option.

Your Plan's Actuary provides a report on the financial status of your Plan every three years. The outcome of this review is reported in the supplement to the trustee's annual report to members which you can access at **mercersuper.com.au/westpacgroupplan**.

Calculating employer contributions for contribution cap purposes

To help you assess your share of Westpac's contributions to count towards your concessional contributions cap, a 'notional taxed contribution' amount is calculated for you each year.

Notional taxed contributions count towards your concessional contributions cap* each year and are reported to the ATO by the trustee, as are other contributions.

You should take your notional taxed contributions into account when deciding whether to make any additional contributions to your superannuation. If you exceed your concessional contributions cap, you may need to pay extra tax.

* In some cases, special provisions (known as 'grandfathering') may apply if you were a defined benefit member of your Plan before contribution caps were introduced or revised, allowing your notional taxed contributions to be capped at the concessional contributions cap. Please contact us if you need more information about whether these special provisions apply to you.

Warning! Defined benefits and the concessional contributions cap can be complex. If you are unsure about how the cap works or whether the grandfathering provisions apply to you, we suggest you seek advice from a qualified financial adviser.

Westpac contributions to your SuperSave account

Westpac may also pay super contributions on a portion of certain other pay items. In this case, these super contributions are credited to your SuperSave account. Visit the Westpac intranet to find out more about which pay items this applies to.

Member contributions

As a defined benefit member of the Plan, you can make two types of member contributions:

- nominated contributions, and/or
- SuperSave contributions.

You can contribute to your super at any time.

Nominated contributions

The contribution rate that you nominate to make to your super affects the way your defined benefit is calculated. Effectively, the higher your nominated contribution rate, the quicker your defined benefit grows (see the 'How your defined benefit super works' section of this PDS).

Your nominated contribution rate can be any whole percentage of your Superannuation Salary, **from 0% to 8%***. You can change your nominated contribution rate at any time.

* Your Benefit Multiple is based on a maximum nominated contribution rate of 5% each year, averaged over your membership period. Any nominated contributions above the 5% average are credited to your excess contributions account. This account balance is paid in addition to your defined benefit or accumulation-style benefit described above.

Your nominated contributions are made as regular deductions from your pay. You can choose to have them taken out of your before-tax pay (also called salary sacrifice) or your after-tax pay

You cannot make nominated contributions if you go on leave without pay (other than parental leave) for more than two months. During any period of parental leave, you are not required to contribute but may elect to do so.

You cannot make nominated contributions if you are eligible for a salary continuance benefit due to your total and temporary disablement (see the 'Receiving a death, terminal illness or disablement payout' section of this PDS). Any contributions we receive from you during this period will be credited to your SuperSave account. While you are receiving a salary continuance benefit, your benefits will continue to accrue as if you were making 5% nominated contributions (up to the maximum accrual).

You can no longer make nominated contributions once you reach your maximum Benefit Multiple (see the 'How your defined benefit super works' section of this PDS).

SuperSave contributions

You can make contributions to your super on top of, or instead of, your nominated contributions. These contributions are credited to your SuperSave account.

For example, if you want to contribute more than the maximum of 8% nominated contributions, you can contribute the additional amount to your SuperSave account.

You can make SuperSave contributions on a before-tax basis from your Westpac pay, or on an after-tax basis from your Westpac pay or your personal savings.

You can decide how your SuperSave account balance is invested, by choosing from one or more of the investment options available in your Plan. For more information, see the 'Investments' section of this PDS or the *Investments* booklet for your Plan, available from **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

Your SuperSave account balance is affected by investment performance. Investment returns may be positive or negative and if they are negative, this reduces your account balance.

Fees and other costs apply to your SuperSave account. See the 'Fees and costs' section of this PDS for more information.

The balance of your SuperSave account is paid in addition to any other benefits you are entitled to.

Important! Before making SuperSave contributions, you should check your average nominated contribution rate over your whole membership period. An average of 5% contributions per year is required to achieve the highest possible defined benefit calculation. Your annual statement shows your average nominated contribution rate.

Warning: We strongly recommend that you get advice from a licensed or appropriately authorised financial adviser about how tax laws affect you, especially if you are considering making large contributions, or retiring. This is because the tax treatment of super can be complex and may change at any time. You should also get appropriate advice while you build your super.

How to contribute

Contributions from your Westpac pay

To make regular contributions from your Westpac pay, log into Westpac's PeopleHQ employee system and change your contribution rate under the 'Organise your pay' section. You can specify whether your contributions should be made from your before-tax pay or after-tax pay, and whether they should be treated as nominated contributions or SuperSave contributions.

SuperSave contributions from personal savings

You can make SuperSave contributions from your personal savings in the following ways:

- **transfer** an amount from your bank account to your SuperSave account via BPAY®. – call the Defined Benefit Helpline for more instructions
- **send a cheque** payable to 'Westpac Group Plan – Defined Benefits' to Locked Bag A4055, Sydney South NSW 1235. Include a cover letter with your name, member number and contact details. (Note: The contribution has to be made by you, so we can only accept cheques from you as a payer.)

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Rollovers

You can transfer, or roll over, money from other super funds into your SuperSave account at any time.

If the rollover amount includes any untaxed amount, that amount is taxed when it is deposited into your SuperSave account.

To request a rollover into your SuperSave account, you can complete our *Benefit roll-in form* available from **mercersuper.com.au/westpacgroupplan** or you can request the transfer through the super fund that currently holds your super.

Contribution splitting

This section applies only in relation to concessional contributions made to your SuperSave account.

You may be able to split your super contributions with your eligible spouse and transfer permitted contributions to an account in the name of your eligible spouse in a complying superannuation fund.

An eligible spouse must not have permanently retired (if past their Preservation Age) or reached age 65 and includes:

- your husband or wife
- another person with whom you are in a registered relationship
- another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

You will generally be able to request a contribution split of up to 85% of concessional contributions as long as you maintain a super account balance of at least $5,000.

Any contributions that you split will continue to be counted towards your concessional contribution limit.

Contribution splitting after transfer to the Accumulation section of your Plan

If your super is transferred to the Accumulation section* of your Plan, you will be able to make the same contribution split as you made in your SuperSave account, as well as any new contribution split. However, you can only split contributions made in the previous financial year.

If you leave the Mercer Super Trust, you can split contributions made in the financial year you leave. You will need to provide your request to split contributions to the trustee on or before the time your super is paid out, rolled over or transferred to another super fund.

To request to split SuperSave contributions, complete the *Contribution splitting form* **mercersuper.com.au/westpacgroupplan**.

* To find out more about transfers to the Accumulation section of your Plan, see 'Receiving a super benefit' in the 'Receiving a retirement benefit at or after age 55' or 'Receiving a withdrawal benefit before age 55' sections of this PDS.

Receiving a retirement benefit at or after age 55

If you leave employment with Westpac at age 55 or over, you are entitled to a retirement benefit.

A retirement pension is generally paid as a lump sum. However, you may be eligible to take some or all of your retirement benefit as a pension option.

The lump sum calculations are described in the following sections. For more information on the pension options, see the 'Pension options' section of this PDS.

Retirement lump sum for unpackaged employees

If you are an unpackaged employee, your retirement lump sum is calculated as:

- Benefit Multiple × Final Average Salary (FAS)

The balance of your SuperSave and excess contributions accounts (less any surcharge or early release account balance) is also payable.

Minimum retirement benefit

The total value of your retirement lump sum will always be at least equal to the greater of:

- your withdrawal lump sum benefit (as described under 'Receiving a withdrawal benefit before age 55' in this PDS), or
- the sum of your retirement benefit that accrued in the former funds before 1 July 1992 **plus** your Post-30 June 1992 account **plus** your SG benefit **plus** any money you have paid to purchase additional membership.

Retirement lump sum for packaged employees

If you are a packaged employee, your retirement lump sum is calculated as the sum of:

- Part 1 = pre-31 December 1999 Benefit Multiple x pre-31 December 1999 FAS (in relation to your pre-31 December 1999 membership of the former funds), **plus**
- Part 2 = post-31 December 1999 Benefit Multiple x Post-31 December 1999 FAS (in relation to your post-31 December 1999 membership of the former funds).

The balance of your SuperSave and excess contributions accounts (less any surcharge or early release account balance) is also payable.

Example – retirement lump sum for packaged employees

Edward was a packaged employee and retired at age 58 after 30 years as a defined benefit member of the Plan. For the last three years before his retirement, Edward's package values were $80,000, $82,000 and $85,000.

Edward's Benefit Multiple from the date he joined the Plan until 31 December 1999 is 3.60, and his Benefit Multiple from that date until retirement is 1.80.

Step 1 – calculating FAS for pre-31 December 1999 period:

For this period, FAS is calculated as Edward's average Super Salary over the last three years, based on 79.5% of his package value:

- 79.5% x $80,000 = $63,600
- 79.5% x $82,000 = $65,190
- 79.5% x $85,000 = $67,575.

Therefore his pre-31 December 1999 FAS is $65,455 (i.e. [$63,600 + $65,190 + $67,575] ÷ 3).

Step 2 – calculating FAS for post-31 December 1999 period:

For this period, FAS is calculated as Edward's average Super Salary over the last three years, based on 100% of his package value. Therefore his post-31 December 1999 FAS is $82,333 (i.e. [$80,000 + $82,000 + $85,000] ÷ 3).

Step 3 – calculating Edward's retirement benefit for the total membership period

Edward's total retirement lump sum is calculated as:

= [Benefit Multiple x FAS for pre-31 December 1999 period] + [Benefit Multiple x FAS for post-31 December 1999 period]

= [3.60 x $65,455] + [1.80 x $82,333]

= $235,638 + $148,199

= $383,837

Any balance in Edward's SuperSave and excess contributions accounts (less any surcharge or early release account balance) is also payable.

Minimum Requisite Benefit (MRB)

Under superannuation laws, the MRB is the minimum benefit that your Employer is required to pay in order to satisfy its compulsory superannuation obligations. The MRB is determined based on a formula prescribed by the Plan's actuary.

If your MRB calculation is greater than your accumulation-style or defined benefit calculation, then you receive the higher MRB amount.

Receiving a super payout

As a defined benefit member, once we are informed that you have left employment with Westpac or chosen the Transfer Option and all contributions due for you have been paid into the Mercer Super Trust, we can then process your super payout.

We will write to you, asking for your election to:

- choose the lump sum and/or pension option (if eligible)
- transfer any lump sum to the Accumulation section of your Plan
- provide other payment instructions.

If you do not provide us with completed election or payment instructions **within three months** of a benefit becoming payable, the lump sum benefit will apply and this benefit will automatically be transferred to either:

- an account in the Retained Benefit category of the Accumulation section of your Plan (if you have left employment with Westpac), or
- an employee account in the Accumulation section of your Plan (if you have chosen the Transfer Option and are still employed with Westpac).

Key features of the Accumulation section of your Plan

If you leave Westpac or choose the Transfer Option, you can choose to keep all or part of any lump sum benefit in the Accumulation section of your Plan. If you have left Westpac, you will become a Retained Benefit member in the Accumulation section.

Some of the key features of the Accumulation section include:

- This is an accumulation superannuation account, which means the way this account works is different to your defined benefit superannuation.
- You can contribute to your Accumulation account. If you have left Westpac and have another employer, they can also contribute to your account.
- Fees and other costs apply to an account in the Accumulation section. These fees and costs are different to those that apply in the Defined Benefit section.
- If your super is transferred to the Accumulation section of your Plan, your super will be invested as follows:
  - the lump sum portion (excluding your SuperSave account) will be invested in your choice* of the Mercer Growth or Mercer Cash investment options until you elect otherwise; and

- your SuperSave account balance will remain invested in accordance with your most recent investment direction until you elect otherwise.

Any future contributions to your Accumulation account will be invested in the Mercer SmartPath® investment option until you elect otherwise.

*If you do not make an investment choice, this lump sum will be invested in Mercer Cash if you have left Westpac and are transferred to the Retained Benefit category, or invested in Mercer SmartPath if you have chosen the Transfer Option and remain employed with Westpac.

- A range of additional investment options is available in the Accumulation section of your Plan, including Mercer SmartPath, an expanded range of Ready-made and Select-your-own investment options, and the Mercer Direct investment option. You can switch the investment options applicable to your super at any time.
- Your entire account balance is invested and subject to investment performance. Returns are not guaranteed and may be positive or negative. If returns are negative, this reduces the value of your super.
- Any insured cover for death or Total and Permanent Disablement (TPD) you had as a defined benefit member of your Plan may be transferred to the Accumulation section of your Plan – see the following section for more details on transferring insurance cover. You may also be eligible to apply for additional cover in the Accumulation section if required.

For more information about the features of the Accumulation section of your Plan, you should read the PDS and incorporated booklets for the Employer Super section of the CSD, as well as the *Your Plan Guide* booklet for the Accumulation section of your Plan. These documents are available at **mercersuper.com.au/pds** or you can call the Defined Benefit Helpline for a copy.

Transferring insurance cover to the Accumulation section of your Plan

If we transfer your super to the Accumulation section of your Plan, the dollar amount of your death (including Terminal Illness (TI)) and Total and Permanent Disablement (TPD) cover that applied on the date you ceased to be a defined benefit member of your Plan may be automatically transferred as well.

The amount of any transferred TI or TPD insurance cover is subject to a maximum benefit amount.

The dollar amount of your death and TPD cover is calculated as the benefit amount that would have been payable if you had died or been assessed as TI or TPD (as applicable) on the date you ceased to be a defined benefit member of your Plan **less** the amount that would have been payable if you left Westpac at that date.

Your insurance cover will automatically transfer to the Accumulation section if **all** of the following apply:

- your super payout is automatically transferred to the Accumulation section of your Plan because you left Westpac or chose the Transfer Option
- you are aged less than age 70
- a TI or TPD benefit has not been paid or become payable to you in your Plan
- either (i) you have opted in to have or keep insurance, or (ii) you have met the Putting Members' Interests First (PMIF) legislative requirements (these PMIF requirements will apply even if you were previously a PMIF exempt member because you were a defined benefit member in your Plan).

Note: If you are aged 60 or over when you cease to be a defined benefit member, your amount of death (including TI) and TPD cover will be zero. If you would like cover, you may be eligible to apply for cover in the Accumulation section.

If eligible to transfer your insurance cover, your cover in the Accumulation section will start on the 61st day after you left Westpac or chose the Transfer Option.

Your Total and Temporary Disablement (TTD) cover cannot be transferred to the Accumulation section.

Warning! Premiums for death and TPD cover will start being deducted from your super account balance in the Accumulation section from the 61st day after you left your Employer or chose the Transfer Option, even if your cover in the Accumulation section starts before this. This will apply even if your Employer doesn't notify us that you have stopped work or chosen the Transfer Option until after the date that premiums should have started to be charged.

Insurance terms and conditions in the Accumulation section, including the cost of cover and circumstances in which a benefit may be paid or when your cover may cease, are different to those that applied in the Defined Benefit section. You should read the PDS and incorporated booklets for the Employer Super section of the CSD, as well as the *Your Plan Guide* booklet for the Accumulation section of your Plan, at **mercersuper.com.au/pds** for more information.

We strongly recommend that you speak to a licensed or appropriately authorised financial adviser regularly to assess whether your insurance options in the Accumulation section suit your personal needs and circumstances.

Receiving a withdrawal benefit before age 55

If you leave employment with Westpac before age 55, you receive a withdrawal benefit. You can choose for your withdrawal benefit to be calculated as either:

- an **accumulation-style benefit** calculation, which is based on contributions you have made to the Plan (adjusted for investment performance on the Plan's assets, which may be positive or negative) plus a component funded by Westpac, or
- a **defined benefit** calculation, which is based on a formula linked to your salary and contribution rate during your membership – additional eligibility criteria applies to this option.

Each of these options is described in the following sections.

In addition to the withdrawal benefit above, the balance of your SuperSave and excess contributions accounts (less any surcharge or early release account balance) is also payable.

Important! A top-up payment may be applied so that the total amount payable under the accumulation-style or defined benefit calculations is generally the same. However, the preservation components of each benefit may be different.

Accumulation-style benefit calculation

Your accumulation-style withdrawal benefit is calculated as:

- Your nominated contributions – equal to your Pre-1 July 1992 account plus your Post-30 June 1992 account[1]
- **plus** a Westpac-funded amount – equal to your Pre-1 July 1992 account times your service factor[2], plus the greater of (i) your Post-30 June 1992 account[1] times your service factor[2], or (ii) your SG account
- **plus** a top-up amount – if you are eligible for a defined benefit (see below) and it is greater than your accumulation-style benefit, a top-up amount is added so both are equal.

An accumulation-style benefit may have a portion that is non-preserved if you made nominated contributions before 1 July 1992.

1 This account is shown as your 'Notional Post-30 June 1992' account on your annual super statement. It is subject to a maximum average of 5% of Super Salary per year of your membership of the Plan (including the Former Funds) since 1 July 1992. Any nominated contributions you make above the 5% average are credited to your excess contributions account.

2 Your service factor is equal to 10% for each year of qualifying service (pro-rated daily), to a maximum of 100% after 10 years.

Example – accumulation-style benefit calculation

Ari joined the Plan through the former funds after 1 July 1992 and resigned after 15 years of service. They contributed at 5% throughout their membership. At their resignation date, Ari's benefit details include:

- Post-1 July 1992 account (nominated contributions) = $52,500
- SG account = $88,200

Ari's accumulation-style benefit is therefore calculated as:

- Post-1 July 1992 account = $52,500
- **plus** the greater of Post-1 July 1992 account or SG account = $88,200

Total accumulation-style lump sum withdrawal benefit = $140,700

The balance of your SuperSave and excess contributions accounts (less any surcharge or early release account balance) is also payable.

Defined benefit calculation

In certain circumstances, you may be able to elect to receive a defined benefit, also called your **discounted accrued benefit**, instead of the accumulation-style benefit above.

You are eligible to elect the discounted accrued benefit if you leave Westpac and would ordinarily be entitled to receive a lump sum withdrawal benefit.

Your discounted accrued benefit is calculated as:

- your Benefit Multiple × Final Average Salary (FAS), with that total then reduced by a discount factor, equal to 2% for each year between the day you leave Westpac and age 55.

See the 'How your defined benefit super works' section of this PDS for more information on your Benefit Multiple and FAS.

This benefit is subject to a minimum of your aggregate retirement benefit accrued before 1 July 1992 reduced by 2% for each year between the day you leave Westpac and age 55, plus SG benefit, plus nominated contributions adjusted for investment performance.

The discounted accrued benefit is fully preserved and must stay in the superannuation system until you meet a condition of release. Accumulation-style benefit calculation

Example – defined benefit calculation

Ellie is 45 years old and resigns after 25 years in the Plan and is entitled to elect the discounted accrued benefit. She is an unpackaged employee and at her resignation date, Ellie's Benefit Multiple is 4.50 and her FAS is $90,000.

In the first step, Ellie's benefit is calculated as:

= Benefit Multiple of 4.50 × FAS of $90,000

= $405,000.

Based on her age at resignation (45), Ellie's discount factor is 20% (i.e. 2% x 10 years), so her total discounted accrued benefit is:

= $405,000 – ($405,000 × 20%)

= $324,000

The balance of your SuperSave and excess contributions accounts (less any surcharge or early release account balance) is also payable.

Minimum Requisite Benefit (MRB)

Under superannuation laws, the MRB is the minimum benefit that your Employer is required to pay in order to satisfy its compulsory superannuation obligations. The MRB is determined based on a formula prescribed by the Plan's actuary.

If your MRB calculation is greater than your accumulation-style or defined benefit calculation, then you receive the higher MRB amount.

Receiving a super payout

For information on what happens once you become eligible for a benefit, including the circumstances where your benefit may be automatically transferred to the Accumulation section of your Plan, see 'Receiving a super payout' section in the 'Receiving a retirement benefit at or after age 55' section of this PDS.

Receiving a death, terminal illness or disablement benefit

Death, terminal illness and disablement benefits are designed to provide you with some peace of mind. If these events occur, a benefit may help cover the loss of your income or provide you or your dependants with some financial security.

As a defined benefit member of your Plan, you are automatically covered for:

- Death
- Terminal Illness (TI)
- Total and Permanent disablement (TPD)
- Total and Temporary Disablement (TTD) (also sometimes known as income protection).

This section outlines the benefits that apply in the event that your death, TI, TPD or TTD occurs while you are still employed by Westpac and a defined benefit member of your Plan.

Insurance cover and defined benefits

With defined benefit super, a death, TI or TPD benefit is not a separate payout – it is built into your defined benefit calculation. However, a portion of your benefit is covered by insurance.

The trustee has appointed AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (Insurer) to provide insurance for your Plan. The trustee's insurance policy provides this insurance subject to the terms and conditions of the insurance policy issued by the Insurer to the trustee. The terms and conditions of the insurance policy will prevail if there is any inconsistency between the insurance policy and the information about your insurance cover in your Plan (as described in this PDS). The trustee has the right to change the Insurer.

Your super payout in the event of death, TI or TPD is calculated using a similar formula to the benefit you would receive if you resigned or retired from Westpac. However, it is calculated using a projected membership period, as if you had retired from Westpac on your 60th birthday rather than the earlier date of your death, TI or TPD (to a maximum of 40 years total membership).

The part of your benefit calculation that relates to your projected future service (i.e. from the date of your death, TI or TPD until age 60) is insured with the Plan's Insurer.

A TTD benefit is an additional payment and this benefit is insured with the Plan's Insurer.

While the Insurer is involved in the claims assessment process, the trustee makes the final decision on all claims. Your death, TI, TPD or TTD benefit may be reduced if the Insurer refuses or restricts cover for the insured benefit or does not pay out all or part of the insured benefit when a claim is made.

Death, TI or TPD benefits

Before age 60

If you die or are assessed as being TI or TPD before age 60 and while employed by Westpac and a defined benefit member of your Plan, a benefit is payable to you, or to your dependants in the case of a death benefit.

To be eligible for a TI or TPD benefit, you must meet the Insurer's definition of 'Terminal Illness' or 'Total and Permanent Disablement' (see 'Definitions' at the end of this section of the PDS) and satisfy any other conditions described in this PDS.

Your death, TI or TPD benefit is calculated assuming that you would have remained employed with Westpac and a defined benefit member of your Plan until age 60 and that you would have maintained a 5% nominated contribution rate until age 60.

A death, TI or TPD lump sum super payout is calculated as:

- Benefit Multiple x FAS,

where your Benefit Multiple and FAS are treated as follows:

- Your Benefit Multiple is calculated in two parts:

i) your current Benefit Multiple until your date of death, TI or TPD is calculated based on your nominated contribution rate(s) and how long you have contributed at that rate, and

ii) a projected Benefit Multiple is then calculated based on an accrual rate of 0.18 for each year from your date of death, TI or TPD until age 60*.

- Your FAS is calculated according to your age when you die or become TI or TPD:
  - if you are under age 57, your FAS effectively equals your Superannuation Salary at your date of death, TI or TPD
  - if you are aged between 57 and 60, your FAS is calculated assuming that your Superannuation Salary would have stayed the same from the date of your death, TI or TPD until age 60.

See the following example for more on how these calculations work.

The balance of your SuperSave and excess contributions accounts (less any surcharge or early release account balance) is also payable.

A death, TI or TPD benefit is also subject to the minimum retirement benefit and MRB requirements described in the 'Receiving a retirement benefit at or after age 55' section of this PDS.

*Your benefit may be reduced if the Insurer refuses or restricts cover for the future part of your benefit or does not pay out all or part of the insured benefit when a claim is made.

Pension option instead of lump sum for death or TPD benefits: We generally pay a death or TPD benefit as a lump sum. However, the lump sum may be converted to a pension option, payable for life, in certain circumstances. For more information, see the 'Pension options' section of this PDS and the separate *PDS for Westpac Group Plan – Defined Benefit Pensions (including spouse pension)*, available from **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

Example – calculating a death, TI or TPD benefit

Jack is 40 years old when he is assessed as meeting the criteria for a TPD benefit. He has been a defined benefit member of the Plan for 10 years and his projected years of membership from his current age until age 60 is 20. Jack has contributed at 5% of his Superannuation Salary during his membership, giving him a current Benefit Multiple of 1.80, and his current Superannuation Salary is $100,000. If Jack's claim is accepted by the trustee and the Insurer, his TPD lump sum is calculated as:

Step 1: Calculating Jack's Benefit Multiple:

= Current Benefit Multiple + projected Benefit Multiple

= 1.80 + (0.18 x 20 years)

= 5.40

Step 2: Calculating Jack's FAS

Jack's current Superannuation Salary is $100,000, therefore his FAS is $100,000

Step 3: Calculating Jack's benefit

= Benefit Multiple x FAS

= 5.40 x $100,000

= $540,000

The balance of Jack's SuperSave and excess contributions accounts (less any surcharge or early release account balance) is also payable.

If Jack had died or been declared terminally ill, the benefit payable would be $540,000, calculated in the same way as the TPD benefit.

At or after age 60

If you die or become TI or TPD at or after 60 and while employed by Westpac and a defined benefit member of your Plan, the benefit payable to you or your dependants is equal to the benefit described in the 'Receiving a retirement benefit at or after age 55' section earlier in this PDS. There is no insured component to your benefit from age 60.

TTD benefits

A monthly benefit may be payable if you are less than age 65 and employed by Westpac and a defined benefit member of your Plan, and you are Totally Disabled for longer than the waiting period.

To be eligible for a TTD benefit, you must meet the Insurer's definition of 'Totally Disabled' (see 'Definitions' at the end of this section of the PDS) and satisfy any other conditions described in this PDS.

A TTD benefit is not payable if you are aged 65 or over.

Waiting period

There is no waiting period under the Insurer's policy. Under the rules for your Plan, a TTD benefit is payable providing you have been TTD for at least one week after becoming entitled to a benefit.

Qualification for a TTD benefit begins from the earlier of the following:

- the date you first consult a Medical Practitioner about the Sickness or Injury that is causing the disability, or
- the date you first cease to work due to the condition that is causing the disability, as long as it is not more than seven days before you first consulted a Medical Practitioner about that condition and provided there is reasonable medical evidence about when the disability began.

Benefit amount

If you are Totally Disabled, the monthly benefit is equal to 70% of your monthly Pre-Disability Income*.

* If you are entitled to any other income, your monthly benefit amount may be reduced by the amount you have received or are entitled to receive. Other income includes any payments from a workers' compensation or motor accident claim, or any claim you make under federal or state legislation, and any benefit you have not paid for through premiums or otherwise, where these payments relate to loss of salary from the same Sickness or Injury as your TTD claim.

A TTD benefit is paid monthly in arrears, beginning from the latest of the following:

- one week after becoming entitled to the benefit, or
- once you have used up any sick leave entitlements, or
- if you are on Employer-approved leave, the return to work date agreed with Westpac.

Benefit payment period

A TTD benefit will continue to be paid until the earliest of the following:

- expiry of the two-year benefit payment period
- the date you case to be Totally Disabled
- the date a TI or TPD benefit is payable
- the first annual review date (1 July) after your 65th birthday
- the date of your death.

Important: You must advise us immediately if you cease to be TTD. During any period of TTD, we or the Insurer may also require you to provide information or undergo medical or other tests to ensure you continue to meet eligibility criteria for a TTD benefit.

Recurrence of disability

If you suffer a recurrence or worsening of the same or related Sickness or Injury within 90 days of a previous TTD claim and you are absent from work because of that recurrence or worsening and you have no entitlement to sick leave, the Insurer will not treat this as a separate claim, but will treat it as a continuation of the original claim.

In these circumstances, the waiting period is waived and the monthly benefit is payable immediately. However, the benefit payment period is adjusted to take into account your prior payments.

Making a claim for death, TI, TPD or TTD

You or your beneficiaries must advise us as soon as reasonably possible of any claim or potential claim. We will provide you with regular updates throughout your claim and we will support you through the claim process. If you need help at any stage, call the Helpline.

1. Contact us

Use the contact details provided in the 'How to contact us' section at the front of this PDS.

2. Confirm eligibility

We will ask you to provide us with initial information relating to your claim.

If we consider that you are not eligible to make a claim, we will explain this in writing and give you the opportunity to provide more information.

3. Claims pack

A claims pack will be emailed or posted to you within five business days. You will need to meet any costs associated with completing the claim pack (for example for a medical practitioner to complete any forms).

4. Claims assessment

You and your medical practitioners must provide the necessary documents and complete all application requirements to make a claim.

Once we have received all required documents and claim information, the Insurer will commence their assessment. Where the Insurer needs further information to assess your claim, the Insurer may pay the cost to obtain this information.

Assessing a TPD claim can take around six to 12 months. However, in many circumstances assessment can be completed sooner.

The Insurer needs to assess medical and other evidence for a disablement claim. If you are overseas, you may have to return to Australia at your own expense for medical treatment or assessment, or the Insurer may require your medical treatment and assessment to be equivalent to Australian standards. If you are living or travelling overseas you will need to pay the cost of returning to Australia.

The Insurer may, subject to law, consider your claim withdrawn or refuse to pay your claim if you do not meet the Insurer's requirements.

The trustee is committed to ensuring that the assessment you receive from the Insurer is fair and transparent, and that all final claim decisions are fair and reasonable. While the Insurer is involved in the claims assessment process, the trustee makes the final decision on all defined benefit claims.

Terms and conditions for an insured benefit

In this section, the insured benefit means:

- in relation to a death, TI or TPD benefit, the part of your benefit that relates to your projected future service (i.e. from your date of death, TI or TPD until age 60)
- in relation to a TTD benefit, the full benefit.

Maximum benefit amount

The maximum amount payable for an insured benefit is:

- unlimited for a death benefit
- $3 million for a TI or TPD benefit
- unlimited for a TTD benefit.

The maximum benefit amount payable for either TI or TPD is $3 million. If you have multiple superannuation accounts within the Mercer Super Trust with death (including TI) or TPD cover on each account, you can claim on each policy separately, subject to the overall maximum benefit amount payable for TI or TPD cover.

Cover while on leave without pay

Where Westpac approves a period of leave without pay (including parental leave) and you have an agreed return to work date before commencing leave without pay, your cover will continue provided the period of leave does not exceed 24 months and premiums continue to be paid.

If you die or become TI, TPD or TTD during your period of leave without pay, the benefit amount will be based on your salary at the date immediately prior to you starting leave without pay. When you return to work, your cover will be calculated from your return to work date.

If you don't return to work by the specified return to work date, cover will automatically stop 30 days after the specified return to work date.

If your return to work occurs more than 24 months from the start of your leave without pay, or after your agreed return to work date (whichever is earlier), your cover is subject to underwriting before the Insurer can provide insurance cover.

You or Westpac must advise us if you are going to be on leave without pay for longer than two years or for longer than your agreed return date. The trustee will need to get the Insurer's prior written approval to continue cover.

Cover while travelling overseas

Working overseas

Cover for any insured benefit will continue if you are working overseas for your Employer, provided the following conditions are satisfied:

- your Employer provides details of your overseas arrangements to the Insurer when requested
- you must remain employed by your Australian Employer, and
- premiums for your cover must continue to be paid.

TPD claims while overseas

If you make a TI, TPD or TTD claim, you may have to return to Australia at your own expense for medical treatment or assessment, or the Insurer may require your medical treatment and/or assessment to be equivalent to Australian standards. Any insured benefit may not be paid if you do not comply with these requirements.

Other important details while overseas

You must advise us if you are working overseas permanently or no longer intend to work in Australia whilst being a member of your Plan. Keep your contact details up to date by contacting the Helpline so we can provide you with more information about what will happen to your benefits under your Plan.

You should talk to your Employer if any of these circumstances apply to you.

Cover for the insured portion of your benefit will continue if you are travelling or holidaying outside of Australia.

Exclusions (for a TTD benefit only)

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A TTD benefit is not payable if any of the following circumstances apply:

- your Sickness or Injury is caused by your deliberate act (whether sane or insane)
- a claim arises in connection with war or an act of war (whether declared or not)
- a claim arises in connection with uncomplicated pregnancy, childbirth or miscarriage.

When cover stops

Cover for any insured benefit stops in your Plan if any of the following circumstances occur:

- in relation to death, TI or TPD cover, the earliest of:
  - the date of your death,
  - the date any death, TI or TPD benefit is paid to you, or
  - where you cease to be a member of your Plan, the earlier of 60 days after that date or the date you become insured under a new superannuation arrangement;
- in relation to TTD cover, the earliest of:
  - the first Annual Review Date (1 July) after your 65th birthday,
  - the date of your death,
  - 30 days after you cease employment with Westpac, except where the cessation is a result of your Total Disability,
  - the date you cease to be a member of your Plan,
  - where you are a Permanent Employee who becomes a Temporary Employee,
  - the date the Insurer pays out the maximum amount of cover under a TI or TPD benefit, or
  - the first annual review date (1 July) after you are paid a normal annual salary or wages equal to or greater than $210,000, if a claim is not payable under the insurance policy for your Plan.

Payment of a benefit

While a member of your Plan, you will need to meet the Insurer's definition of 'Terminal Illness', 'Total and Permanent Disablement' or 'Total Disability' (see 'Definitions' at the end of this section of the PDS) before being eligible for this type of benefit.

The trustee must meet various legal requirements before it can pay a benefit. While we make every effort to pay benefits quickly, there may be a significant time between the date of death, terminal illness or disablement and the benefit payment.

The trustee can only pay a TI or TPD benefit to you in cash if:

- the trustee has accepted the claim, and
- you satisfy a relevant condition of release under superannuation law.

The trustee will not be able to pay the benefit if you do not satisfy a condition of release.

Refer to the *Accessing your super* Fact Sheet at **mercersuper.com.au/pds** for details about the conditions of release under superannuation law.

We will deduct any applicable tax from your benefit payment.

Who receives a death benefit

If you pass away while employed by Westpac and a defined benefit member of your Plan (i.e. you have not yet received a lump sum withdrawal, retirement, terminal illness or TPD benefit, nor chosen the Transfer Option), the trustee must decide who receives your death benefit payout.

You can tell us who you would prefer to receive your death benefit payout. The trustee will not be legally bound by your preferences but will take them into account.

You can make a preferred beneficiaries nomination online at **mercersuper.com.au/westpacgroupplan** (sign in using your personal login).

Who you can nominate as beneficiaries

You can choose to nominate one or more of your dependants and your legal personal representative (your estate) as your beneficiaries.

Your dependants can include:

- your spouse, which generally includes:
  - your husband or wife, or
  - another person (same sex or not) who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple,
- your children, which generally includes:
  - your adopted child, step-child or ex-nuptial child,
  - your spouse's child,
  - someone who is your child according to the Family Law Act 1975,
- any person who the trustee considers is fully or partially dependent on you,
- any person you have an interdependency relationship with. This is where you have a close personal relationship with another person (whether or not related by family), and:
  - you and that person live together,
  - you, that person or both of you provide the other with financial support, or
  - you, that person or both of you provide the other with domestic support and personal care.

  An interdependency relationship can also be where you have a close personal relationship with another person but due to a disability you cannot meet the other interdependency criteria.

If your legal personal representative receives your payout, it will be distributed according to your will. If you don't have a will, it will be distributed according to the laws of the state or territory where you lived at the date of your death.

If you do not have any dependants or legal personal representatives, the trustee can pay your death payout to any natural person allowed by the law.

It is important that you keep your beneficiary nomination up-to-date as your circumstances change. You can change your preferred beneficiaries nomination online at any time at **mercersuper.com.au/westpacgroupplan** (sign in using your personal login). A new nomination will override any earlier nomination.

If a benefit is payable to your Spouse

** For the purposes of eligibility for certain types of benefits, the terms 'Spouse' and 'Dependent Child' have specific meanings under the rules for your Plan. See 'Definitions' later in this section.*

If a death benefit is payable to your Spouse, they can choose to receive their benefit in one of the following ways:

- a full lump sum amount, or
- 50% as a lump sum and convert the remaining 50% into a spouse pension, payable for life, where the annual pension is calculated as the converted lump sum amount ÷ 10.8.

If your Spouse chooses to receive a part pension, a children's allowance is also payable as follows:

- where you have one Dependent Child, the allowance is equal to 40% of the spouse pension amount, or
- where you have two or more Dependent Children, the allowance is 25% of the spouse pension amount for each Dependent Child (to a maximum of 100% of the spouse pension).

A children's allowance is only payable for as long as each Dependent Child meets that definition.

The children's allowance is not payable if your Spouse does not receive the spouse pension.

Warning: The decision to take the full lump sum or the part lump sum/part pension can only be made once and there is a limited timeframe in which to make it.

For more information on the how the pension works, see the 'Pension options' section of this PDS and the separate *PDS for Westpac Group Plan – Defined Benefit Pensions (including spouse pension)*, available by calling the Defined Benefit Helpline.

Example – spouse pension and children's allowance

Harry dies while still employed by Westpac and his death benefit lump sum is calculated as $350,000, payable to his eligible Spouse.

Step 1 *– calculating a spouse entitlement:*

Harry's Spouse could choose to receive:

1) a full lump sum of **$350,000**

or

2) a part lump sum of **$175,000** (i.e. 50% of the lump sum death benefit) **plus** a spouse pension of **$16,200 per year** (i.e. [(50% x $350,000 ÷ 10.8].

Step 2 *– calculating the children's allowance:*

At the date of his death, Harry had two eligible Dependent Children.

If Harry's Spouse chooses the spouse pension, a childen's allowance of $4,050 per year would also be payable for each child, totalling **$8,100 per year**. This amount is usually paid to the Spouse.

If you have no eligible Spouse or Dependent Children

If you have no eligible Spouse or Dependent Children, the trustee can decide to pay your super to any one or more of your dependants and/or your legal personal representative in any proportion.

The trustee has discretion to pay the pension that would otherwise have been available to your Spouse to any one or more or your nominated beneficiaries, if the trustee considers that they were living with you on a permanent and bona fide domestic basis and were wholly or mainly maintained by you, at the time of your death.

Definitions

The following definitions explain the capitalised terms used under this 'Receiving a death, terminal illness or disablement benefit' section of this PDS.

Dependent Child

Means, for the purposes of eligibility for a children's allowance in the event of your death, any person who is:

- under age 18, or
- under age 23 and was financially dependent on you at the date of your death and are in full-time education of a type approved by the trustee;

and that person is:

- a child of yours, including an adopted child, step child or ex-nuptial child, or
- a child of your Spouse, or
- a child of yours within the meaning of the Family Law Act 1975.

Injury

Means physical damage to your body as a result of an external traumatic occurrence, which is sustained by you after the commencement date of cover.

Medical Practitioner or Doctor

Means a legally qualified person who must be registered in Australia and have qualifications equivalent to Australian standards, other than you, an immediate family member of yours or a business partner of yours.

Pre-Disability Income

Means:

- If you are in full-time employment, the salary[1] you were earning on the day before you went on leave[2], or
- If you are in part-time employment, the salary[1] you received in the last full pay period (as advised Westpac) immediately before the day you went on leave[2] or, if at work, on the day before the commencement of the waiting period,

adjusted by reference to any new Salary for you (advised by us to the Insurer) on and from the date of effect of the adjustment.

1 If you are full-time employment either, 'salary' means your normal annual rate of salary or wages including permanent salary allowances but excluding bonuses, gratuities, overtime, away from home allowances, shift allowances, holiday pay loading and similar temporary allowances; or such amount determined by Westpac and advised by us to the Insurer). In you are in part-time employment, 'salary' means your aggregate annual salary as if you were in full-time employment (as determined by Westpac); or such amount determined by Westpac and advised by us to the Insurer).

2 'On leave' means your Employer-approved paid or unpaid leave or parental leave for up to 24 months.

Sickness

Means a sickness or disease which first becomes apparent after the commencement date of cover. For the avoidance of doubt, a sickness or disease is taken to have first become apparent when:

- a Doctor first gave you advice, care or treatment for the sickness or disease; or
- a reasonable person in the same circumstances as you would have sought advice, care or treatment from a Doctor.

Spouse

Means, for the purposes of eligibility for a spouse pension in the event of your death under the rules for your Plan, a person who, at the time of your death, was:

- legally married to you, or
- living with you on a genuine domestic basis in a relationship as a couple (i.e. de facto), or
- a person with whom you were in a relationship that was registered under a state or territory law that was recognised for the purpose of the definition of 'spouse' under superannuation law.

Note: To help us determine whether a person is eligible for a spouse pension, we will ask for a certified copy of your death certificate, your Spouse's birth certificate or extract of their birth certificate, and your marriage certificate or evidence of a de-facto relationship accompanied by a statutory declaration.

Terminal Illness

Means:

- Two registered Medical Practitioners have certified, jointly or separately, that:
  - You have a Sickness or Injury that is likely to result in death within a period (the certification period) that ends no more than 24 months after the date of certification, and,
  - the death is likely to occur within the certification period even if you were to receive reasonable medical treatment;

and

- at least one of the practitioners is the treating registered specialist Medical Practitioner; and
- for each certificate, the 24-month period (from the date of certification) has not ended.

The certification must be evidenced by a medical report from the treating registered Medical Practitioner and, where required by the Insurer, confirmed by a registered Medical Practitioner of the Insurer's choice.

Total and Permanent Disablement / Totally and Permanently Disabled

If you were a former Westpac Staff Superannuation Plan member at 30 June 1992

Means you are physically or mentally incapable of performing any suitable employment with Westpac.

If you were not a former Westpac Staff Superannuation Plan member at 30 June 1992

Means:

(i) Loss of Limb

You have, as a result of Sickness or Injury, suffered:

a) the loss of two hands; or

b) the loss of two feet; or

c) the loss of one hand and one foot; or

d) the loss of sight in both eyes; or

e) the loss of one hand or foot and the loss of sight in one eye.

Loss in relation to a hand or foot means:

a) severance at or above the wrist or ankle; or

b) the permanent loss of use of the hand or foot below the wrist or ankle respectively.

Loss of sight means the permanent loss of all vision.

or

(ii) Loss of Independence/Activities of Daily Living

You have, as a result of Sickness or Injury, been under the supervision of a Medical Practitioner, approved by the Insurer, and in the Insurer's opinion are totally and permanently incapable of performing at least 2 of the following activities of daily living without physical assistance from another adult person:

a) bathing or showering;

b) dressing;

c) moving from place to place, getting in and out of bed or getting in and out of a chair;

d) eating and drinking;

e) using the toilet.

or

(iii) Impairment of Whole Person Function

You, as a result of Sickness or Injury:

a) have suffered 25% impairment of Whole Person Function as defined by the latest edition of the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment' or an equivalent guide approved by the Insurer.

b) are not engaged in any occupation; and

c) are disabled to such an extent as to render you unlikely ever to be engaged in any occupation for which you are reasonably suited by education, training or experience.

or

(iv) Any Occupation

You, as a result of Sickness or Injury:

a) have been absent from work for 3 consecutive months prior to turning age 65; and

b) at the end of the 3 months, in the Insurer’s opinion, after considering medical advice and any other relevant information, are likely to be unable ever to work again in a job for which you are reasonably qualified by education, training or experience.

or

(v) Unable to perform Home Duties

You, as a result of Sickness or Injury:

a) have been absent from work for 6 consecutive months; and

b) at the end of the 6 months, are incapacitated to such an extent that, in the Insurer's opinion after considering medical advice and any other relevant information, are unlikely ever again to attend to at least 2 normal physical domestic household duties.

Normal physical domestic household duties means:

a) cleaning the family home;

b) shopping for food and household items;

c) meal preparation and laundry services;

d) leaving the house without the assistance of another person;

e) looking after one or more dependent children under 16 years of age or in full-time secondary education; or

f) providing full-time care for one or more disabled persons who are members of their immediate family.

Total Disability / Totally Disabled

Means that because of Sickness or Injury you are:

- unable to perform at least one duty which could reasonably be considered primarily essential to producing your monthly income of your regular occupation; and
- not currently working in any gainful occupation; and
- under the care and following the advice of a Medical Practitioner.

Risks associated with super

All investments, including super, carry some risk. Some important risks that may affect your super include:

- Super or tax laws may change in the future, which may affect the tax effectiveness of your super or when your final super benefit can be paid to you in cash.
- Changes to fees and costs can also have an impact on your super balance.
- Your final super benefit may not be enough to adequately meet your retirement needs.
- Your Employer may decide to vary its contributions to your Plan, amend your Plan or even close it.
- Your Employer may fail to meet any insurance premiums or fees it has agreed to pay. If this happens, you will then meet the full cost of your insurance cover and/or fees from your super, and
- As a member of a defined benefit superannuation plan, your total payout may be reduced below your standard benefit payout if your Plan winds up and has inadequate funding at that time and your Employer is unable or unwilling to make up the difference.

Investment risk

Investment risk generally describes the risk of an investor getting back less than they put in. Taxes, expenses and low or negative investment returns can also have an impact on investment risk in super.

Investment returns do not generally affect the amount of your defined benefit super payout, where the calculation is based on a formula linked to your salary, contributions and length of membership. The accumulation-style benefit calculation described in the 'Receiving a withdrawal benefit before age 55' section of this PDS) is adjusted for investment returns, based on the investment option for your Plan's defined benefit assets, and is therefore subject to investment risks.

If you have a SuperSave account, you can choose investment options for this account (or the default investment option applies if you do not make a choice). This account is subject to investment risks.

Investment options each have different levels and types of risks, depending on the assets they invest in. Generally, assets with the potential for the highest long-term return may also carry the highest level of short-term risk. Returns for each investment option will vary and future returns may be different to past returns.

Your accumulation-style benefit and your SuperSave account balance could rise or fall in value or produce a return that is less than expected. Rises and falls in value can happen quickly and for many reasons. Investment returns are not guaranteed and an investor may lose some or all of their money.

Some investment options may also be exposed to other risks if they invest in certain types of assets. For example, currency risk, inflation risk, derivative risk, or other specific risks.

You should also read the important information about investment risks for your SuperSave account in the *Investments* booklet for your Plan, available at **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

How risk affects you

Your level of acceptance for risk may vary depending on a range of factors including your age, investment timeframe, your risk tolerance and the extent and type of your other investments.

You should read the important information about investment risks before making any decision about your SuperSave account. For this information, see the 'Understanding investment risks' section of the *Investments* booklet for your Plan, available at **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

Pension options

The information in this section is a summary only of the retirement pension options for defined benefit members of your Plan. Before making any decisions about the pension options, you should read the separate *PDS for the Westpac Group Plan – Defined Benefit Pensions (including spouse pension)* available at **mercersuper.com.au/westpacgroupplan** or by calling the Helpline.

The decision to begin a pension, and the choice of the type of pension (if applicable), can only be made once. We strongly recommend that you consider your options very carefully and seek financial advice tailored to your personal circumstances before making a decision.

Eligibility for a pension option

A retirement, TPD or death benefit is generally calculated as a lump sum benefit. However, a pension option may be available in the following circumstances.

Retirement pension (including TPD)

A **retirement pension** option applies if you are entitled to any of the following:

- a retirement benefit at or after age 55
- a retirement benefit because you have reached your Preservation Age and choose the Transfer Option while still employed with Westpac
- a TPD benefit at any age.

In this case, you can choose to convert up to 50% of your retirement or TPD lump sum to a retirement pension (paid for life). You must take at least 50% of your benefit as a lump sum.

The annual pension amount is generally calculated as the value of the converted lump sum amount divided by 10.8. If you retire before age 60, the pension calculation may be adjusted for your earlier retirement age.

Example – Part lump sum/part pension option

Connie is entitled to a $600,000 retirement lump sum benefit. She could take the full amount as a lump sum, or she could choose to convert 50% of the lump sum to a pension. In this case, she would received $300,000 as a lump sum and an annual pension, payable for life, of $27,778 (i.e. $300,000 ÷ 10.8, rounded).

Alternatively, Connie could choose to receive any amount of lump sum greater than 50% of her total benefit. For example, she could receive 80% of her benefit as a lump sum ($480,000) and convert the remaining 20% to a pension ($11,111 per year).

Spouse pension

If your Spouse is entitled to receive a lump sum death benefit, they can choose to convert 50%* of their lump sum to a **spouse pension**, paid for the rest of your Spouse's life.

The amount of the annual spouse pension is calculated as the value of the converted lump sum amount divided by 10.8. If your Spouse elects the pension option, an allowance is also payable for any of your Dependent Children.

* Unlike the retirement pension option, your spouse cannot choose to convert an amount other than 50% of the lump sum.

Purchased pensions

Any portion of a retirement or TPD benefit that you choose to receive as a lump sum, including any SuperSave account balance, can be used to buy a purchased pension (which includes reversionary benefits) or a single life purchased pension.

The annual pension amount for the purchased pensions is different to the retirement pension. The pension is calculated as the value of the lump sum used to purchase the pension divided by a pension factor determined by the Plan actuary.

The purchased pension options are not available for any lump sum portion that your Spouse receives in the event of your death.

Limited timeframe to elect the pension option

You must elect the retirement pension, or your Spouse must elect the spouse pension, and advise us in writing **within three months** from the date you leave Westpac, the date a death or TPD benefit becomes payable, or the date you choose the Transfer Option, whichever is applicable.

Any election to begin a purchased pension must be made at the same time, within the three-month period.

If you or your Spouse do not elect a pension option(s) within three months, the lump sum benefit is payable and there is no further opportunity to choose a pension option.

Key features of the pension options

- The pension amount may be different with each type of pension. You cannot change the amount of your pension payments.
- The pension is paid to you (or your Spouse in the case of a Spouse pension) fortnightly for life.
- The annual pension amount is indexed each year, effective 1 January. Other than indexation, there is no change to your pension amount.
- A pension cannot be converted back to a lump sum in the future and you cannot make additional withdrawals.
- If you die after beginning a pension, a pension may continue to be payable to your eligible Spouse or Dependent Children.
- If you die within five years of beginning your pension, your full pension amount is payable to your eligible Spouse or Dependent Children for the rest of the five-year period. If you have no Spouse or Dependent Children, a lump sum equivalent of the pension entitlement is paid to your legal personal representative.
- You cannot add money to the pension after it has commenced.
- Pension payments count against your transfer balance cap, or against your Spouse's transfer balance cap in the case of a Spouse or reversionary pension. The transfer balance cap is a limit on the total amount you may transfer into pension accounts that have no tax on investment earnings.
- A pension may affect any government or social security benefits that you receive or may apply for in the future, and any impact may be different to taking a lump sum. You should seek advice on how this may affect your personal circumstances.

For more information on the features of each type of pension, you should read the separate *PDS for the Westpac Group Plan – Defined Benefit Pensions (including spouse pensions)* available at **mercersuper.com.au/westpacgroupplan** or by calling the Helpline.

Transfer Option

The Transfer Option allows you to receive the super benefits and options available to you as a defined benefit member of the Plan while you are still employed by Westpac.

If you choose the Transfer Option, your super payout, including any option to begin a pension (if eligible), is calculated as if you had left employment with Westpac on the day before your transfer is processed. For example, you would receive the equivalent of your withdrawal benefit if choosing the Transfer Option before age 55, or the equivalent of your retirement benefit if choosing the Transfer Option at or after age 55.

The way your super can be paid if you take the Transfer Option depends on your age:

Your age	Your options
You have reached your Preservation Age	• You can choose to take some or all of your benefit as a retirement pension option and/or purchased pension within the defined benefit section of the Plan. • Any amount that you do not take as a pension must be transferred as a lump sum to the Accumulation section of your Plan or to another complying super fund or account that nominate (unless you have met another condition of release, in which case it may be payable to you in cash). • Any unrestricted non-preserved component of your lump sum may be paid to you in cash.
You have **not** reached your Preservation Age	• You must transfer your whole benefit as a lump sum to the Accumulation section of your Plan or to another complying super fund or account that you nominate, unless there is an unrestricted non-preserved component that you are eligible to receive in cash.

Warning! If you choose the Transfer Option, you **cannot** change your decision.

Your Employer will pay all future super contributions to your account in the Accumulation section of the Plan. You cannot rejoin the Defined Benefit section of the Plan or reinstate your defined benefits or entitlements in the future.

There are many differences between defined benefit and accumulation superannuation and it is important that you understand these features and the implications of changing from defined benefit super to an accumulation arrangement before considering or choosing the Transfer Option.

You should read all information in the *Transfer Option* Fact Sheet at **mercersuper.com.au/westpacgroupplan** before making a decision. If you wish to take up this option, you can also download the *Transfer Option* form from **mercersuper.com.au/westpacgroupplan**.

Paying your benefits

Super and preservation

Government legislation restricts access to your super and is designed to ensure that you generally use your super for retirement.

There are three super payout categories:

- unrestricted non-preserved super benefits
- preserved super benefits
- restricted non-preserved super benefits.

If your defined benefit becomes payable and you receive a lump sum, any unrestricted non-preserved amount can be paid in cash.

Preserved or restricted non-preserved components of your lump sum must be kept in a superannuation fund or other approved superannuation arrangement and can only be accessed according to 'conditions of release' specified in superannuation law. For most people, this is when they permanently retire at or after their Preservation Age, leave an employer at or after age 60, or turn 65.

Your annual member statement provides details about the relevant category for each portion of your super.

For more information, see the *Accessing Your Super* Fact Sheet at **mercersuper.com.au/pds**.

If you elect a pension option for some or all of your benefit, different payment conditions may apply. For more information on pension payments, see the separate *PDS for the Westpac Group Plan – Defined Benefit Pensions (including spouse pension),* available at **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

Family law

Subject to relevant legislation, married and de facto couples may be able to make binding agreements or get court orders to determine how each partner's super will be divided if their marriage or relationship breaks down.

Under the Family Law Act 1975, the trustee needs to provide certain information about a member's super payout or pension to eligible persons where the information is required to negotiate a superannuation agreement or to help with a court order. An eligible person under the Act includes a member, the spouse of a member or any person who intends to enter into a superannuation agreement with the member.

We may need to adjust your super payout or pension to reflect any agreements or court orders that may be binding on the trustee. We will advise you about any fee for a request related to the Family Law Act 1975 in respect of your super payout or pension.

Call the Helpline about family law matters affecting your super or pension in the Mercer Super Trust.

Anti-money laundering

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (AMLCTF Act) superannuation funds have to identify, monitor and mitigate the risk that the Mercer Super Trust may be used for the laundering of money or the financing of terrorism. As a result, you may be asked to provide satisfactory proof of your identity to the trustee before you withdraw your benefit or begin a pension and to satisfy other legal requirements.

At a minimum, we may need to collect your full name, date of birth and residential address. To verify information, we are only obligated to verify full name, and either date of birth or residential address. This can be achieved by supplying a certified copy of your driver's licence or passport. We may be unable to process your payment request without this information in an appropriate form.

Under the AMLCTF Act, we may need to undertake additional identification checks and monitor transactional activity. We may also need to block or suspend transactions. The trustee will not be liable for any loss suffered by you if there is a delay in making a payment that has been caused by or contributed to by the need to comply with the AMLCTF Act or other legislative requirements.

By law the trustee is also required to comply with confidential reporting obligations to the AMLCTF Act regulator, Australian Transaction Reports and Analysis Centre (AUSTRAC).

Investments

The information in this section of the PDS applies **only** to your SuperSave accounts in the Plan. Investment choice is **not** available for any other components or accounts within your defined benefit superannuation.

This 'Investments' section of the PDS provides a summary of the investment options available to you and some general information about investments. In addition to this PDS, for more information about each investment option, investment risks and how we invest your super, you should read the *Investments* booklet for your Plan. You should also read the *Sustainable Investments Information* booklet, which contains important information about the extent to which Environmental, Social and Governance (ESG) factors are taken into account for the Mercer investment options. These booklets are available at **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

Your investment options

For your SuperSave account, we give you the flexibility to tailor your investment strategy by offering a range of investment options that you can choose from.

You can select up to 8 investment options from our investment menu for your SuperSave account. These investment options include:

- **Ready-made options** – We have developed a range of options that combine a mix of asset classes and management styles to target a specific investment objective.
- **Select-your-own options** – Designed for those who want to be more hands on, the Select-your-own options include a Mercer Sustainable Plus option and the Mercer sector options.

Investment strategy for future contributions

Your investment strategy for future contributions will be the Mercer Growth investment option unless you have selected a different option(s).

Your investment strategy for future contributions will apply to all future contributions, including rollovers from other super funds and all other cashflows including distributions and rebates.

Changing (switching) investment options

You can change (switch) your investment options at any time. A switch is a sale of units in one investment option and a purchase of units in another investment option.

If you switch options, it's important to specify whether you want the change to apply to:

- your current SuperSave account balance
- your investment strategy for future contributions
- both of the above.

You can make an investment switch online at **mercersuper.com.au/westpacgroupplan** (sign in using your personal login), or call the Defined Benefit Helpline.

See 'Units and unit pricing' in the *Investments* booklet for your Plan for details on which unit price applies when changing or switching investment options.

Warning: You should seek advice from a licensed, or appropriately authorised, financial adviser before you choose investment options. It is important to review your investment selection regularly.

Investment options menu

The following table summarises the investment options available to you for your SuperSave account in your Plan.

See the *Investments* booklet for your Plan, available at **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline, for more information about each investment option, including its description, investment objective, standard risk measure, minimum suggested investment timeframe and asset allocation.

The trustee may add, remove or alter investment options. We will advise you of any changes.

Investment options menu	
Ready-made	**Select-your-own**
These options combine a mix of asset classes and management styles to target a stated investment objective. The trustee chooses and monitors the investment managers and decides how to allocate across the different asset classes, which may be growth or defensive oriented, or a mix of both. The Ready-made investment options available for your SuperSave account are: • Mercer High Growth • Mercer Growth (the default investment option) • Mercer Conservative Growth	These options offer more flexibility for you to blend investment options and may suit those who like to take more control over their investment decisions. We have grouped the Select-your-own investment options as follows: **Mercer Sustainable Plus option** A portion of the Australian and international shares asset classes incorporates additional sustainability criteria[1]. This option uses a multi-manager investment approach, with different investment managers selected to implement investment strategies in each asset class that support the option's objective. • Mercer Sustainable Plus Growth **Mercer sector options** These options offer exposure mainly to one major asset class. They are designed for members who want to invest in a particular asset class, or multiple asset classes, to tailor their own portfolio. • Mercer Heritage Australian Shares[2] • Mercer International Shares • Mercer Fixed Interest • Mercer Cash

1 See the *Sustainable Investments Information* booklet for your Plan for more details.

2 The Mercer Heritage Australian Shares investment option is closed and only available to members currently invested in this option.

Your own mix: things to consider

If you are considering which investment option or mix of options is right for your SuperSave account, it is important to consider the ultimate purpose for your money, your personal circumstances and retirement goals. We call these your investment and income needs.

Different investor types

The following information may assist you to determine what type of investor you are.

This table is intended as general information only and should not be considered personal advice. You should consider your own objectives, investor needs and financial situation before making any investment decisions or get advice from a financial adviser.

My attitude:	I am:	Typical asset allocation ranges
When investing, security is paramount and you are not particularly concerned with the level of returns. You are extremely uncomfortable with volatile or negative returns in any year.	Likely to be a very defensive investor	No Growth assets; 100% Defensive assets
When investing, security is more important to you than the level of returns achieved and you are very uncomfortable with volatile or negative returns.	Likely to be a defensive investor	0-25% Growth assets; 75-100% Defensive assets
When investing, security is an important consideration, but you are still comfortable with some risk to achieve conservative levels of returns. You are uncomfortable with significant volatility or negative returns over a short time frame.	Likely to be a cautious investor	20-40% Growth assets; 60-80% Defensive assets
When investing, you are comfortable with a balance between security and risk and understand that some risk is necessary to achieve higher returns. You are comfortable with some volatility or negative returns over a short time frame.	Likely to be a neutral investor	40-60% Growth assets; 40-60% Defensive assets
When investing, you are willing to trade security for higher returns. You understand that some amount of risk is needed to achieve a higher level of returns. You are comfortable with volatility or negative returns over a short time frame.	Likely to be an assertive investor	50-70% Growth assets; 30-50% Defensive assets
When investing, you have an aggressive attitude to risk, quite willing to trade off security to achieve a high level of returns. You are very comfortable with volatility or negative returns over a short time frame.	Likely to be an aggressive investor	70-100% Growth assets; 0-30% Defensive assets

Risks of investing

All investments, including super, carry risks.

Investment risks

**These investment risks generally only apply to your SuperSave account.*

The investment options each have different levels and types of risk, depending on the assets they invest in. Generally, investment risk is the chance that an investment outcome will be different to what is expected. Investments could rise or fall in value or produce a return that is less than anticipated. Rises and falls in value occur for a variety of reasons and sometimes quickly.

You can help balance risk by choosing investment options that invest across different asset classes, regions and investment managers.

Generally, assets with the highest long-term return also carry the highest level of short-term risk. Returns for each investment option will vary and future returns may be different to past returns. Your investment could rise or fall in value or produce a return that is less than expected. Rises and falls in value can happen quickly and for many reasons.

Before making an investment decision, you should carefully consider your ability to tolerate risk, such as the probability of an investment loss, and seek to understand the different types of risks that apply to the investment options. This is important as your investment returns are not guaranteed and as such you may get back less money than you invest.

For more information on investment risks, see the *Investments* booklet for your Plan, available at **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

No guarantees

There are no guarantees that investment returns will be positive or that you will be able to maintain the value of original capital. Your SuperSave account balance is dependent on movements in the value of the underlying investments in your investment option(s).

You should see a licensed, or appropriately authorised, financial adviser if you are unsure about your investment choices.

Low or negative investment returns will affect your SuperSave account. That means your super benefit may be less than the amount of contributions or rollovers paid into your SuperSave account if you leave the Mercer Super Trust. Tax, fees and charges will also reduce your SuperSave benefit.

You can obtain up to date returns for your Plan's investment options at **mercersuper.com.au**.

For more information, see the 'Understanding investment risks' section of the *Investments* booklet for your Plan, available at **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

Fees and costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your Employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** MoneySmart website (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

The table below shows the fees and other costs that you may be charged. We may deduct these fees and other costs from your super account balance, from the returns on your investments or from the Mercer Super Trust as a whole.

We may charge other fees, such as activity fees or advice fees for personal advice but these will depend on the nature of the activity or advice that you have chosen or applicable to your Plan. Entry and exit fees cannot be charged.

Taxes are set out in another part of this document.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

The fees and other costs for each investment option offered by the Mercer Super Trust are set out on page 41.

Important! We are required by law to disclose the information above. For your defined benefit superannuation, fees and other costs are paid by your Employer or deducted from the assets of your Plan as a whole, unless otherwise disclosed. **The information in this section about fees and other costs applies only to a SuperSave account in your Plan.**

Different fees and costs apply if your super is transferred to the Retained Benefit category of the Accumulation section of your Plan. For more information, you should read the PDS and incorporated booklets for the Employer Super section of the CSD, as well as the *Your Plan Guide* booklet for the Accumulation section of your Plan, at **mercersuper.com.au/pds**.

Fees and costs summary

Westpac Group Plan – Defined Benefit SuperSave accounts		
Type of fee or cost	**Amount**	**How and when paid**
Ongoing annual fees and costs[1]		
Administration fees and costs	• An estimated expense allowance range of between 0.00% to 0.05% per annum of your SuperSave account balance, **and** • Costs associated with product and strategic services, estimated to be 0.017% per annum of Mercer Super Trust assets.	The expense allowance is generally calculated and deducted daily when unit prices are determined. These deductions will be reflected in your SuperSave account balance. As the fee deducted from the unit price is greater than the applicable fee for your Plan, we will credit the difference on the last day of the month (or when

Westpac Group Plan – Defined Benefit SuperSave accounts		
		you leave your Plan) to your SuperSave account balance by issuing additional units. Costs associated with product and strategic services are deducted from reserves on a monthly basis.
Investment fees and costs[2]	**Investment fees** Between 0.10% and 0.53% per annum of your SuperSave account balance, depending on the investment option you choose. **Investment costs[3]** Estimated between 0.01% and 0.21% per annum of your SuperSave account balance depending on the investment option you choose. The fees and estimated costs you pay for specific investment options is shown in the 'Breakdown of certain fees and costs' table later in this section of the PDS.	Investment fees are generally calculated and deducted daily when unit prices are determined. Investment costs are generally calculated and deducted daily (from the underlying investment vehicles or the relevant path) when unit prices are determined. These deductions will be reflected in your SuperSave account balance.
Transaction costs[3]	Estimated between 0.00% and 0.08% per annum of your SuperSave account balance depending on which investment option you choose. The estimated costs you pay for specific investment options is shown in the 'Breakdown of certain fees and costs' table later in this section of the PDS.	Transaction costs are generally calculated and deducted daily (from the underlying investment vehicles or the relevant path) when unit prices are determined. These deductions will be reflected in your SuperSave account balance.
Member activity related fees and costs		
Buy sell spread	Nil.	Not applicable.
Switching fee	Nil.	Not applicable.
Other fees and costs[4]	See notes [4] and [5] below.	See notes [3] and [4] below.

Notes:

1 If your SuperSave account balance is less than $6,000 at 30 June of any year, certain fees and costs charged to you in relation to administration and investment fees are capped at 3% of your account balance. Any amount charged in excess of the cap must be refunded.

2 Investment fees and costs includes an amount between 0.00% and 0.10% per annum of your SuperSave account balance, depending on which investment option you choose, for performance fees. The calculation basis for this amount is set out under 'Additional explanation of fees and costs' in this PDS.

3 The investment and transaction costs are as at 1 April 2023 and are based on the actual information available and/or reasonable estimates for the financial year ending 30 June 2022. Fund expenses and performance based fees are based upon the latest information provided by the underlying investment managers, and are based upon the historical expenses and performance based fees for the actual assets held by the Mercer Super Trust as at the effective date of this PDS. For some investment managers, the expenses and performance based fees are based upon the 12 months to 30 June 2022, and for others, earlier dates. Where earlier dates have been used, they represent the latest information provided by investment managers, and we expect them to be similar for the 30 June 2022 financial year. Investment and transaction costs may vary from year to year. For more details see 'Investment costs' and 'Transaction costs' in the 'Additional explanation of fees and costs' section of this PDS.

4 Other fees and costs (family law fees) may apply to you. For more details see the 'Additional explanation of fees and costs' section of this PDS.

Warning: If you consult a financial adviser, you may have to pay an adviser service fee (which is negotiable). The Statement of Advice given to you by the adviser will include any details about this fee.

Example of annual fees and costs for a superannuation product

This table gives an example of how the ongoing annual fees and costs for the Mercer Growth investment option (the default option for the Defined Benefit section of your Plan) can affect your superannuation investment over a 1-year period. You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE – Mercer Growth investment option		BALANCE OF $50,000
Administration fees and costs	0.067%	For every $50,000 you have in the superannuation product, you will be charged or have deducted from your investment $33.50 in administration fees and costs
PLUS Investment fees and costs	0.54%	**And**, you will be charged or have deducted from your investment $270 in investment fees and costs
PLUS Transaction costs	0.04%	**And**, you will be charged or have deducted from your investment $20 in transaction costs
EQUALS Cost of product		If your balance was $50,000 at the beginning of the year, then for that year you will be charged fees and costs of **$323.50** for the superannuation product.

*Additional fees may apply.

Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a 1-year period for all superannuation products and investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product information assumes a balance of $50,000 at the beginning of the year. (Additional fees such as a buy-sell spread may apply: refer to the *Fees and costs summary* for the relevant superannuation product or investment option.)

You should use this figure to help compare superannuation products and investment options.

Westpac Group Plan – Defined Benefit SuperSave investment option	Cost of product
Mercer High Growth	$388.50
Mercer Growth	$323.50
Mercer Conservative Growth	$293.50
Mercer Sustainable Plus Growth	$378.50
Mercer Heritage Australian Shares[1]	$203.50
Mercer International Shares	$333.50
Mercer Fixed Interest	$168.50
Mercer Cash	$88.50

1 The Mercer Heritage Australian Shares investment option is closed and only available to members currently invested in this option.

Additional explanation of fees and costs

Breakdown of certain fees and costs

The following table shows a breakdown of investment fees and costs (including performance fees) and transaction costs only for each investment option available in the Defined Benefit section of your Plan, shown as a percentage per annum of your SuperSave account balance. Other fees and costs also apply – see the 'Fees and costs summary' table earlier in this section. A description of these fees and costs is provided in the following sections of this PDS.

Investment option	Investment fees and costs[1] (% per annum)		Estimated transaction costs[2] (% per annum)
	Investment fee	Estimated investment costs[2]	
Ready-made investment options			
Mercer High Growth	0.42	0.21	0.08
Mercer Growth[3]	0.38	0.16	0.04
Mercer Conservative Growth	0.28	0.19	0.05
Select-your-own investment options			
Mercer Sustainable Plus option			
Mercer Sustainable Plus Growth	0.48	0.13	0.08
Mercer Sector investment options			
Mercer Heritage Australian Shares[3,4,5]	0.23	0.05	0.06
Mercer International Shares	0.53	0.03	0.04
Mercer Fixed Interest	0.15	0.09	0.03
Mercer Cash	0.10	0.01	0.00

Notes:

1 If your SuperSave account balance is less than $6,000 at 30 June of any year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of your account balance. Any amount charged in excess of the cap must be refunded.

2 The investment and transaction costs are as at 1 April 2023 and are based on the actual information available and/or reasonable estimates for the financial year ending 30 June 2022. Fund expenses and performance based fees are based upon the latest information provided by the underlying investment managers, and are based upon the historical expenses and performance based fees for the actual assets held by the Mercer Super Trust as at the effective date of this PDS. For some investment managers, the expenses and performance based fees are based upon the 12 months to 30 June 2022, and for others, earlier dates. Where earlier dates have been used, they represent the latest information provided by investment managers, and we expect them to be similar for the 30 June 2022 financial year. Investment and transaction costs may vary from year to year. For more details see 'Investment costs' and 'Transaction costs' in the 'Additional explanation of fees and costs' section of this PDS.

3 The investment and transaction costs for Mercer Growth and Mercer Heritage Australian Shares are based on reasonable estimates only generally expected to apply to these options for the year ending 30 June 2023.

4 The Mercer Heritage Australian Shares investment option is closed and only available to members currently invested in this option.

5 The combined investment fee and expense allowance cannot exceed 4.00% per annum for this investment option. For all other options, the maximum of these combined fees is 2.5% per annum.

Administration fees and costs

Administration fees and costs relate to the administration and operation of the Mercer Super Trust (see the 'Defined Fees' section of this PDS) and for your Plan include:

- an estimated expense allowance, and
- costs associated with product and strategic services.

Estimated expense allowance

The trustee has the right to reimburse itself from the assets of the Mercer Super Trust. These reimbursements are for actual outgoings reasonably incurred with the running of the Mercer Super Trust, where those outgoings are not specifically for a division, plan or member account. If the trustee charges an expense allowance, that amount is included in the administration fee of the relevant investment option (as set out in the 'Fees and costs summary'). The allowance is passed on to members by an adjustment to the unit price reducing the investment performance of the relevant investment option.

The expense allowance varies from year to year reflecting the actual expenses incurred. Therefore it is not possible to provide a precise figure for the expense allowances for investment options as they are not known until the end of the financial year. However, the range of expected expense allowances is set out in the 'Fees and costs summary'. The actual expense allowance may exceed these estimated ranges. We would only expect this to occur if there were unexpected expenses.

Actual expense allowances are provided in the *Mercer Super Trust Annual Report*.

The trustee is also entitled to be indemnified out of the assets of the Mercer Super Trust if it incurs any liabilities, losses, costs and expenses in administering the Mercer Super Trust. See 'Trustee's indemnity' under 'Other important information' later in this PDS for more details about this right of indemnity.

Worked example: Assume an amount of $50,000 is invested for 12 months in the Mercer Growth investment option. The expense allowance is between 0.00% and 0.05% per annum of your super account balance, which works out to be between $0 and $25 per annum.

Member reserve

The trustee currently pays certain costs associated with product and strategic services from reserves, which are estimated to be 0.017% per annum of the Mercer Super Trust assets.

The size of the reserve is reported each year in the *Mercer Super Trust Annual Report*.

Additional units

We deduct a standard asset based administration fee of 0.15% per annum from each investment option before the unit price is determined. As the asset based administration fee applicable to your Plan (nil) is less than the standard deduction, we credit additional units at the end of each month to your SuperSave account to make up this difference.

We allocate any additional units according to your investment strategy for future contributions.

Investment fees and costs

Investment fees

Investment fees apply to each investment option and typically vary depending on the type of assets the option invests in and the management style (for example, active or passive).

Investment fees are the fees payable to the trustee for the exercise of care and expertise relating to the investment of the assets of the Mercer Super Trust and generally include the fees payable to the underlying investment managers for most asset classes.

Investment costs

Each investment option has associated investment costs that are incurred by the underlying investment vehicles into which the Mercer Super Trust invests. Investment costs may include but are not limited to:

- performance fees
- investment fees for certain asset classes, namely investments in direct/unlisted real assets, such as property and infrastructure
- any expenses charged by the underlying investment vehicles or manager of those vehicles
- over-the-counter derivative costs.

Performance fees

The trustee does not directly charge any performance fees. However, performance fees may be charged by underlying investment vehicles or managers of those vehicles and if so, these are included in investment costs.

These performance fees are reflected in the unit price of the underlying investment vehicle and accordingly form part of the investment costs of the relevant investment option.

Underlying investment vehicles or managers that charge a performance fee generally only apply those fees when performance is greater than an agreed target. Accordingly, performance fees generally only arise when higher returns, relative to a specified target for a particular manager, are achieved.

Where applicable, performance fees are based on an average for the five-year period to 1 April 2023 (unless the option has been available for a shorter inception period or the actuals are not available for the most recent financial year, in which case we use a reasonable estimate). Performance fees are based upon the latest information provided by the underlying investment managers, as well as historical expenses and performance fees for the actual assets held by the Mercer Super Trust as at the effective date of this PDS. See the following 'Estimated average performance fees and investment and transaction costs ranges' table for details.

Calculation of investment costs

The actual investment costs for each investment option are determined at the end of each financial year. The *Mercer Super Trust Annual Report* provides the actual investment costs that applied for each investment option for that financial year.

The following 'Estimated average performance fees and investment and transaction costs ranges' table gives an estimate of the ranges of the future investment costs that are generally expected to apply for each investment option. These ranges do not act as limits or caps on the investment costs that may apply in the future, as the investment costs may vary from year to year reflecting the indirect costs (if any) incurred by the underlying investment vehicles or managers.

Changes in investment costs for a financial year may be disclosed via the website **mercersuper.com.au/westpacgroupplan** where the change is not materially adverse, or by a notice to you when there is a materially adverse change.

Past fees and costs may not be a reliable indicator of future fees and costs.

Estimated average performance fees and investment and transaction costs ranges

	Estimated average performance fee (% per annum of your SuperSave account balance)	Estimated investment costs range (% per annum of your SuperSave account balance)	Estimated transaction costs ranges (% per annum of your SuperSave account balance)
Mercer High Growth	0.10	0.15 – 0.40	0.05 – 0.15
Mercer Growth	0.05	0.10 – 0.40	0.00 – 0.10
Mercer Conservative Growth	0.07	0.10 – 0.35	0.00 – 0.10
Mercer Sustainable Plus Growth	0.02	0.05 – 0.35	0.05 – 0.15
Mercer Heritage Australian Shares	0.00	0.00 – 0.10	0.00 – 0.10
Mercer International Shares	0.00	0.00 – 0.10	0.00 – 0.10
Mercer Fixed Interest	0.00	0.05 – 0.20	0.00 – 0.05
Mercer Cash	0.00	0.00 – 0.10	0.00

Transaction costs

Transaction costs are the costs associated with trading to manage the investment strategy for each investment option.

Transaction costs include:

- brokerage
- settlement costs (including custody costs)
- clearing costs
- stamp duty on an investment transaction
- buy-sell spreads less any costs recouped by the underlying investment vehicles.

No part of any transaction cost is paid to the trustee or any investment manager as a fee, and such costs are not subject to GST.

The actual transaction costs for each investment option are determined at the end of each financial year. The *Mercer Super Trust Annual Report* provides the actual transaction costs for that financial year.

For each investment option, the estimated transaction costs as at 1 April 2023 are set out in the 'Breakdown of certain fees and costs' table earlier in this section of the PDS.

For each investment option, the estimated transaction costs ranges in the previous 'Estimated average performance fees and investment and transaction costs ranges' table give an estimate of the ranges of the future transaction costs that are generally expected to apply to the individual investment options. These ranges do not act as limits or caps that may apply in the future, as transaction costs may vary from year to year reflecting the transaction costs (if any) incurred by the underlying investment vehicles or managers.

Past costs may not be a reliable indicator of future costs.

Buy and sell spreads

There are no buy and sell spread fees applied to any investment options. We use a single unit price for both the issue and redemption of units (i.e. the entry price equals the exit price). If a buy-sell spread were applied, it would be an additional cost to you. Any buy-sell spread is not subject to GST.

The trustee reserves the right to apply a buy-sell spread to any investment option in the future.

Other fees

The following fees may apply, in addition to the fees and costs shown in the PDS.

Insurance fees

You do not pay any insurance fees (premiums) in relation to the super payout that you or your beneficiaries would receive in the event of your death, terminal illness or disablement while you are a defined benefit member of your Plan. Your Employer meets the cost of providing these benefits.

Family law fees

A charge of $541 will apply if your super is subject to an agreement or court order that splits your super between you and your former spouse. This charge is generally split equally between you and your former spouse.

Additional fees that can arise

The trustee may incur various costs, charges and expenses (outgoings) in respect of your Plan while acting as trustee of the Mercer Super Trust. These can include the cost of arranging transfers of members in and out of your Plan, Plan legal expenses and the payment of taxes and charges.

The trustee does not currently charge the following fees but reserves the right to do so in the future. We will let you know at least 30 days before such fees are charged.

Expense recovery fee

Under the terms of the governing rules, the trustee may recover these outgoings from your Plan subject, generally, to an agreement with your Employer. The trustee may instead charge an expense recovery fee of up to 1% per annum on the value of your SuperSave account balance. The trustee does not currently charge an expense recovery fee, but reserves the right to do so in the future, subject to your Employer agreeing to the fee. This expense recovery fee is a different fee to the expense allowance described earlier in this section of the PDS.

Where the trustee starts charging an expense recovery fee, the costs applicable to the relevant investment option may increase. We will write to notify you, at least 30 days before such an increase.

Switching fees

The trustee is entitled to charge members a switching fee of up to $637.15 (indexed annually) for each switching request received. The next indexation of this maximum switching fee is due on 1 January 2024.

Fee changes

Indexation of fees

Family law fees are indexed annually on 1 January to generally reflect changes in the Average Weekly Ordinary Time Earnings index (see 'Fees and other costs table').

The fees applicable for 1 April 2023 are set out in this PDS.

The next indexation is due on 1 January 2024.

Fee increases

In addition to indexing fees, the trustee has the right to increase fees at any time, without your prior consent, subject to the maximum fees set out below. Fees may increase due to changes in economic conditions or Government regulations, increases in supplier charges, or a substantial reduction in the size of your Plan. We will give you at least 30 days written notice of any such increase in fees.

Where there is a materially adverse change to fees, this PDS will be updated. Where the change is not materially adverse, the change will be detailed at **mercersuper.com.au/westpacgroupplan**.

Fee changes on transfer to the Accumulation section of your Plan

If you leave Westpac or you choose the Transfer Option and we transfer any lump sum benefit to the Accumulation section of your Plan, or if you choose to transfer any lump sum benefit to the Mercer SmartSuper section of the CSD or to Mercer SmartRetirement Income, different fees (including insurance premiums if applicable) may apply in those plans.

Maximum fees

Under the Plan rules, the trustee has the right to charge fees up to the following maximums:

- a dollar based administration fee of $20.35 (indexed annually) per member per month
- for investment options established before 1 July 2005: a combined investment fee and expense allowance for that option not exceeding 2.5% per annum of your SuperSave account balance
- for investment options established on or after 1 July 2005: a combined investment fee and expense allowance for that option not exceeding 4% per annum of your SuperSave account balance (the 'Breakdown of certain fees and costs' table shows the investment options where the 4.00% maximum applies)
- an expense recovery fee of 1% per annum of your SuperSave account balance
- a switching fee of $637.15 (indexed annually) for each switching request received.

The trustee has chosen to forego these maximums and currently charges these fees at the amounts shown (if any), as shown in the 'Fees and other costs' and 'Breakdown of certain fees and costs' tables. Any future fee increases will be within these maximum limits.

In addition, under superannuation law, if your SuperSave account balance is less than $6,000 at 30 June of any year (or at the date you leave the Plan), the total administration, investment and transaction fees and costs charged to your account for that financial year are capped at 3% of your account balance. Any fees charged in excess of this cap will be refunded.

GST

The GST disclosures in this PDS are of a general nature only.

GST is not payable on units purchased in the Mercer Super Trust. However, fees payable in respect of the management of the Mercer Super Trust are subject to GST, as described below.

GST applies to all fees charged to the Mercer Super Trust. Generally, the Mercer Super Trust cannot claim full input tax credits in respect of these fees, but will usually be entitled to reduced input tax credits (currently up to 75% of the GST paid) in respect of some of these fees. As a result, the fees payable to us including GST are higher than those disclosed in this PDS.

Any fees payable to us as set out in this PDS approximate the net cost of these fees (after GST) and assume that reduced input tax credits are available.

Tax and your super

The ‘How super is taxed’ section in this PDS provides a summary of how your super is taxed. For more details about tax and your super, see our *Fact Sheets* at **mercersuper.com.au/pds**.

Our fund is entitled to a tax benefit on gross administration fees and costs, investment fees and costs, and insurance premiums paid to our service providers. We may pass this tax benefit on investment fees and costs to you by reducing the amount of the fees and costs that you pay.

We disclose all fees and costs in this PDS as the gross amount before any tax benefit is applied, so the actual net amount that you pay may be less than the figures shown.

Further information

The trustee does not retain for its own use any profit made on the netting of transactions (even though the governing documents permit it to do so) and has no intention to do so in the future.

The trustee may retain for its own use any interest earned on contributions tax from the date it deducts an amount for this tax to the date it pays it to the ATO.

Defined fees

Definitions of the various fee types referred to in this section are listed below:

Activity fees

A fee is an **activity fee** if:

a) the fee relates to costs incurred by the trustee of the Mercer Super Trust that are directly related to an activity of the trustee:

  i) that is engaged in at the request, or with the consent of a member; or

  ii) that relates to a member and is required by law; and

b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

Administration fees

Administration fees and costs are fees and costs that relate to the administration or operation of the Mercer Super Trust and includes costs incurred by the trustee of the Mercer Super Trust that:

a) relate to that administration or operation of the Mercer Super Trust; and

b) are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Advice fees

A fee is an **advice fee** if:

a) the fee relates directly to costs incurred by the trustee of the Mercer Super Trust because of the provision of financial product advice to a member by:

  i) a trustee of the Mercer Super Trust; or

  ii) another person acting as an employee of, or under an arrangement with, the trustee of the Mercer Super Trust; and

b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.

Buy-sell spreads

A **buy-sell spread** is a fee to recover costs incurred by the trustee of the Mercer Super Trust in relation to the sale and purchase of assets of the Mercer Super Trust.

Refer to ‘Buy and sell spreads’ in the ‘Transaction costs’ section in this PDS for details. The trustee currently does not charge any buy-sell spreads.

Exit fees

An **exit fee** is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member’s interests in a superannuation entity.

The trustee does not charge exit fees.

Investment fees and costs

Investment fees and costs are fees and costs that relate to the investment of the assets of the Mercer Super Trust and includes:

a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and

b) costs incurred by the trustee of the Mercer Super Trust that:

   i) relate to the investment of assets of the entity; and

   ii) are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Switching fees

A **switching fee** for superannuation products, other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the Mercer Super Trust from one investment option or product in the Mercer Super Trust to another.

Transaction costs

Transaction costs are costs associated with the sale and purchase of assets of the Mercer Super Trust other than costs that are recovered by the Mercer Super Trust charging buy-sell spreads.

How super is taxed

Contribution limits and tax issues can be complex. This section provides a general summary of the way superannuation is taxed based on laws current at the date of this PDS. The information applies to Australian or New Zealand citizens or Australian permanent residents. If you are an Australian or New Zealand citizen or an Australian permanent resident but are currently not a resident of Australia for tax purposes, different tax rules may apply.

You can also visit the ATO website **ato.gov.au** for further information about tax and your super.

Superannuation is generally taxed at three stages:

- when contributions are received
- when investment income is earned
- when super benefits are paid out in cash.

Tax on contributions

The tax paid on super contributions depends on:

- whether the contribution is concessional or non-concessional
- the amount of the contribution
- whether the trustee has your tax file number (TFN)
- your level of income.

Refer to the *Contributions* Fact Sheet available at **mercersuper.com.au/pds** for more details about:

- concessional and non-concessional contributions
- tax treatment of contributions
- tax on contributions where there is no TFN
- current annual contribution limits
- claiming a deduction for voluntary super contributions.

As a defined benefit member, the standard 15% tax on employer contributions is generally met out of the defined benefit assets of your Plan. It does not reduce your defined benefit. However, any tax on contributions to your SuperSave account will be charged to your account.

Tax on investment income

Generally, the trustee is liable to pay tax at a maximum rate of 15% on:

- all investment income
- realised capital gains from assets held for less than 12 months, and
- two-thirds of realised capital gains from assets held for 12 months or more.

A realised capital gain is when an asset is actually sold for more than the original purchase price.

The trustee won't be liable to pay tax on gains received from Mercer Super Trust investments in pooled super trusts and statutory funds of life insurance companies. This is because the pooled super trust or life office would have already deducted tax.

The actual rate at which the trustee pays tax may be reduced below 15% due to the effect of various tax credits (including franking credits) and rebates.

Tax on super benefits

You may have to pay tax on your super benefit when it is paid from the Mercer Super Trust. The actual amount of tax you may have to pay depends on:

- your age when your super benefit is paid
- the type of benefit
- some other factors including your residency and citizenship status.

Lump sum super benefits for Australian or New Zealand citizens or Australian permanent residents are generally:

- tax free when paid from age 60 (although tax may be payable on some death and temporary disability benefits and First Home Super Saver Scheme releases)
- taxable when paid before age 60.

Refer to the *Tax on lump sum super payouts* Fact Sheet at **mercersuper.com.au/pds** for more information about tax on lump sum super benefits paid to you or to your dependants.

Different tax applies to super benefits paid as a pension. For more information on how pensions are taxed, refer to the separate *PDS for the Westpac Group Plan – Defined Benefit Pensions (including spouse pension)*, available at **mercersuper.com.au/westpacgroupplan** or by calling the Defined Benefit Helpline.

No TFN

You are not obligated to provide your TFN to us. However, if we do not have your TFN:

- you will pay extra tax on employer contributions, salary sacrifice contributions and possibly on your super benefit, and
- we cannot accept your personal contributions (including any spouse contributions).

We strongly recommend that you get advice from a licensed, or appropriately authorised financial adviser about how the tax laws affect you, especially if you are considering making large contributions, or retiring. This is because the tax treatment of super can be complex and may change at any time. You should also get appropriate advice while you build your super.

Other important information

Representing members' interests

Your Plan has a policy committee. The names of policy committee representatives and dates of when their terms expire is published in a supplement to the *Mercer Super Trust Annual Report* to members.

A policy committee comprises an equal number of member and employer representatives. The policy committee represents members of your Plan in all dealings with the trustee of the Mercer Super Trust. The policy committee is a communications channel to the trustee for any member issues and concerns.

Call the Defined Benefit Helpline for information about policy committee election rules.

Service providers to trustee

The trustee appoints a number of service providers to help it run the Mercer Super Trust. The main service providers include the administrators, the investment consultant, the custodian and your Plan's Insurer.

The administrators, the investment consultant and custodian are paid from the trustee's fee income and their fees are not an additional cost to members.

See below for details about the administrators and investment consultant. Refer to 'Insurance cover and defined benefits' in the 'Receiving a death, terminal illness or disablement benefit' section of this PDS for information about the Insurer of your Plan. Call the Helpline for details about the custodian.

Administrators

Australian Administration Services Pty Limited, which is part of the Link Group (Link), provides the following administration services in relation to the Defined Benefit section of your Plan in the Mercer Super Trust:

- administration of member and pension records and unit holdings, including member online
- preparing certain communications materials
- Helpline facilities for members and pensioners.

Mercer Outsourcing (Australia) Pty Ltd (MOAPL) provides the following administration services to the Mercer Super Trust:

- daily management of the Mercer Super Trust's operations including accounting
- preparing certain communications materials, including the Mercer Super Trust's internet site (excluding member online).

Investment consultant

The trustee has appointed Mercer Investments (Australia) Limited (MIAL) to advise on the selection, appointment, replacement and ongoing evaluation of investment managers through an implemented consulting arrangement.

Trustee powers and responsibilities

The trustee is responsible for:

- ensuring members' and pensioners' rights and best financial interests are protected
- payment of correct super payouts and pensions at the appropriate time
- proper management of assets
- general operation of the Mercer Super Trust in accordance with the governing documents and applicable legislation.

The trustee has the right to override any member's investment choices as required by law.

The trustee pays itself a fee out of the fees charged in respect of members.

Plan rules

The governing rules of your Plan include:

- the trust deed that governs the operation of the Mercer Super Trust
- the designated rules covering the general operation of your Plan
- the benefit design schedule that sets out the specific details of your Plan or for the CSD.

The governing rules of your Plan, together with relevant laws and regulations, set out the rules and procedures under which the Mercer Super Trust and your Plan operate and also set out the trustee's duties and obligations to you.

The governing rules are available at **mercersuper.com.au/documents**.

Amendments to your Plan and Plan rules

Sometimes the governing rules' provisions need to be amended.

The trustee has the power to amend all or any of the provisions of the trust deed and designated rules. Your Employer may amend its plan benefit design schedule with the consent of the trustee.

Any amendment must comply with the restrictions in the trust deed, designated rules and any applicable Government requirements.

Westpac and the trustee, or the trustee only for the Mercer SmartSuper Plan, can amend your Plan at any time. Westpac can also decide to vary its contributions to your Plan. Any amendment or variation has to comply with the law and governing rules. Member payouts may be adjusted if your Plan is closed or contributions varied.

Financial position of your Plan

As a member of a defined benefit superannuation plan, your total payout or pension may be reduced below your standard benefit payout amount if your Plan winds up at a time when the level of funding is inadequate, and Westpac is unable or unwilling to make up the difference.

Your Plan's *Supplementary Annual Report* contains information about your Plan's level of funding. You can access the report at **mercersuper.com.au/westpacgroupplan**.

Trustee's indemnity

Both the trustee and its directors are entitled to be indemnified, out of the assets of the Mercer Super Trust, against all liabilities including losses, costs and expenses that may be incurred in administering the Mercer Super Trust.

Liabilities include any payments to the trustee of any predecessor fund to your Plan for any liabilities incurred by that trustee before the transfer into the Mercer Super Trust.

The operation of the trustee's indemnity may result in a reduction in a super payout or pension payment.

The indemnity does not apply to:

- liabilities arising out of fraud, dishonesty or intentional or reckless neglect or default
- amounts, such as penalties, for which indemnification is not permitted under Government legislation.

Enquiries and complaints

Call the Helpline

Call the Helpline for the Defined Benefit section of your Plan on **1800 227 262** from 8.30am to 5.30pm AEST Monday to Friday.

Email

Email the Helpline at
wsspadmin@linksuper.com

By mail

Enquiries and Complaints Officer

Westpac Group Plan – Defined Benefits

c/ Link Group

Locked Bag A4055

Sydney South NSW 1235

Please include your Plan name and your member number when writing to us.

Information regarding the Mercer Super Trust complaints process can be accessed online. Go to **mercersuper.com.au/documents/governance-and-trustee-documents/** and select the *Mercer Complaints Management Procedures*. A hard copy can also be provided on request.

The trustee always seeks to resolve any complaints to the satisfaction of all concerned and in the best interests of all members of the Mercer Super Trust. We will acknowledge your complaint as soon as practicable. We will provide you a response no later than 45 calendar days after receiving your complaint, unless another timeframe is allowed or required under the relevant legislation. If we are unable to provide you a response within this timeframe, we will provide you a delay notification advising you the reasons for the delay, as well as your rights to complain to the Australian Financial Complaints Authority (AFCA).

If you have made a complaint and are not satisfied with the outcome, or we have not resolved your complaint within the required timeframe, you can complain to AFCA. AFCA is a fair and independent body that can assist you with further resolving your complaint at no cost to you.

You can contact AFCA as follows:

Mail	Australian Financial Complaints Authority Limited GPO Box 3, Melbourne VIC 3001
Phone	1800 931 678
Email	info@afca.org.au
Website	afca.org.au

Some complaints must be lodged with AFCA within set timeframes or may be outside of AFCA's jurisdiction. Contact AFCA directly for more information about their time limits and other requirements.