

TELSTRA SUPERANNUATION SCHEME

("Scheme")

Special Determination

Subject Matter of Determination: Minimum Benefits – division 2, division 3 and division 5

Effective Date: 1 July 1997

1 Interpretation

1.1 Definitions in Deed

- (a) Except where expressly defined otherwise in this Determination, a word or expression defined in the Deed has, when used in this Determination, the same meaning as that word or expression is given in the Deed.
- (b) This Determination is subject to part 1.2 of the Deed.

1.2 Special definitions

In this Determination -

"Authorised Delegate" means at any particular date and for any particular purpose a person who is an authorised delegate of the Principal Employer at that time and for that purpose in accordance with relevant delegations made by the Principal Employer.

"SG Act" means the *Superannuation Guarantee (Administration) Act 1992* (Commonwealth), as amended, re-enacted or replaced from time to time.

1.3 Clarification

An Authorised Delegate may resolve any doubt regarding the interpretation or effect of this Determination.

2 Minimum Benefits after 1 July 1996 under division 2

2.1 Formula for calculating minimum benefits in division 2

Pursuant to its Powers under clause 1.18.2 of the Deed, the Principal Employer directs the Trustee to increase the amount of any benefit which becomes payable from division 2 of the Scheme to or in respect of a Member of division 2 on or after 1 July 1996 by the amount (if any) necessary to ensure that the amount of that benefit is not less than the minimum amount determined in accordance with the following formula, subject to clause 2.2 below -

$$\text{Minimum Amount} = FAS \times (RM92 + MMR + SGM) + VAB$$

Where:

- “FAS” is the Member’s Final Average Salary as at the date the relevant benefit is calculated in accordance with division 2 of the Deed;
- “MMR” is the multiple of FAS which is equal to the sum, for all values of C, of the amount calculated in accordance with the formula $C \times FM92C$, where -
- “C” is a particular Defined Benefit Contribution Rate Option which has applied to the Member during the Member’s Division 2 Membership in accordance with part 2.2 of the Deed; and
- “FM92C” is the aggregate period of Division 2 Membership occurring after 30 June 1992 during which the “C” Defined Benefit Contribution Rate Option applied to the Member;
- “RM92” is the multiple of FAS which would have been payable to the Member from the Scheme if the Member had voluntarily ceased to be an Employee in good health on 30 June 1992;
- “SGM” is the multiple of FAS which is equal to the sum, for all values of SGR, of the amount calculated in accordance with the formula $SGR \times FMSGR$, where -
- “SGR” is in respect of any particular period after 1 July 1992, the “charge percentage” determined for that period in respect of the Member’s Employer in accordance with section 20 of the SG Act;
- “FMSGR” is the aggregate period of Division 2 Membership during which the particular value of SGR applied in accordance with section 20 of the SG Act;
- and
- “VAB” is the Member’s Voluntary Account Balance at the relevant time.

2.2 Adjustment for part-time employment

Using the terminology of the Special Determination regarding Part-time Employees, adjustments will be made to “MMR” and “SGM” in the formula in clause 2.1 above in the same manner as adjustments are made to “Member Financed Benefit” and “Fund Multiple” under that Determination, ie, in respect of each pay period where the Member is a Part-time Employee, the values of FM92C and FMSGR in the formula would be multiplied by $\frac{AH}{EFTH}$.

3 Minimum Benefits after 1 July 1996 under division 3

3.1 Normal basis for calculating in division 3

Subject to clause 3.2 below, the SG Benefit from time to time in relation to a Member is the percentage of the Member's Salary determined in accordance with section 20 of the SG Act, being as at the date of this Determination the percentage determined from the following table -

Year	Percentage
1995-96	6%
1996-97	6%
1997-98	6%
1998-99	7%
1999-2000	7%
2000-01	8%
2001-02	8%
2002-03 and subsequent years	9%

3.2 Avoidance of superannuation guarantee shortfall

The SG Benefit in relation to a Member shall not exceed the amount required in order to avoid a superannuation guarantee shortfall in respect of the Member in terms of the SG Act and, without limiting the foregoing, if the Employer also contributes to another complying superannuation fund (in terms of the SG Act) in respect of a Member, the Member's SG Benefit shall be reduced on the basis allowed for under section 22 or section 23, as the case may be, of the SG Act, as if the references to a "superannuation fund" in those sections were references to that complying superannuation fund.

4 Minimum Benefits after 1 July 1997 in division 5

4.1 Formula for calculating minimum benefits in division 5

Pursuant to its Powers under clause 1.18.2 of the Deed, the Principal Employer directs the Trustee to increase the amount of any benefit which becomes payable from division 5 of the Scheme to or in respect of a member of division 5 on or after 1 July 1997 by the amount (if any) necessary to ensure that the amount of that benefit is not less than the minimum amount determined in accordance with the following formula, subject to clause 4.2 below -

Minimum Amount = PRE92 X INDEX92; and
 1.0524 x FAS x DF x (the sum for each period (i) of
 SERV(i) x (NECR(i) + MCR(i) ? 0.85)); and

the accumulation with INTEREST of RO

Where:

- “PRE92” is the benefit the Member would have received from the Telstra Superannuation Scheme No. 1 on voluntarily ceasing to be an Employee in good health at 30 June 1992;
- “INDEX92” is the ratio of the Member’s FAS at the date of calculation to that at 30 June 1992;
- “FAS” is the Member’s Final Average Salary as defined in division 5 of the Deed;
- “DF” is 1.0 at age 65, reducing by a simple discount of 1.5% for each year (or part thereof measured in complete months as a fraction of a year) by which the date of calculation precedes age 65, with a minimum discount factor of 0.7 for age at date of calculation of 45 or below;
- “SERV(i)” is the number of years and fractions of a year, based on complete days, in period (i), coincident with Superannuation Membership as defined in the Deed, at the date of calculation;
- “NECR(i)” is, for each period (i), equal to the following:
- | | |
|-------------------------------|-----|
| 01/07/92 - 31/12/92 | 4% |
| 01/01/93 - 30/06/95 | 5% |
| 01/07/95 - 30/06/98 | 6% |
| 01/07/98 - 30/06/00 | 7% |
| 01/07/00 - 30/6/02 | 8% |
| 01/07/02 and subsequent years | 9%; |
- “MCR(i)” is the rate of member contributions payable during period (i);
- “INTEREST” is the applicable Declared Rate as defined in the Deed;
- “RO” is the amounts, if any, rolled over into the Scheme after 30 June 1992 or into the Telstra Superannuation Scheme No. 1 after 30 June 1992; and
- “(i)” defines the following periods:
- | |
|--------------------------------|
| 01/07/92 - 31/12/92 |
| 01/01/93 - 30/06/95 |
| 01/07/95 - 30/06/98 |
| 01/07/98 - 30/06/00 |
| 01/07/00 - 30/6/02 |
| 01/07/02 and subsequent years. |

4.2 Adjustment for part-time employment

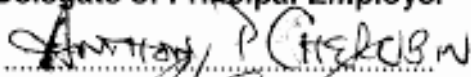
Using the terminology of the Special Determination regarding Part-time Employees, adjustments will be made to "SERV(i)" in the formula in clause 4.1 in the same manner as adjustments are made to "Contributory Membership" under that Determination, ie, in respect of each pay period where the Member is a Part-time Employee, the value of SERV(i) in the formula would be multiplied by

AH
EFTH.

This Determination entirely replaces any previous Special Determination regarding the specified Subject Matter, with effect on the Effective Date.

Authorised Delegate of Principal Employer

Full Name:



Signature:



Date:

