

LGIAsuper - Benefit Certificate

1. Introduction

- 1.1 This Certificate is a requirement of Section 10 of the Superannuation Guarantee (Administration) Act 1992 ("the SG Act") which relates to the minimum level of employer support within a superannuation Scheme. This legislation requires an Actuary:
- i. to specify the level of employer support (referred to as the Notional Employer Contribution Rates) met from the Scheme; and
 - ii. to specify the benefits (referred to as the Minimum Requisite Benefit) required based on the Notional Employer Contribution Rates.
- 1.2 The purpose of this Benefit Certificate is to specify the Notional Employer Contribution Rates (NECR) which in my opinion applies to the Minimum Requisite Benefits provided by LGIAsuper ("the Scheme").
- 1.3 The NECR specified in this Certificate has been determined in accordance with Professional Standard 403 issued by the Institute of Actuaries of Australia and the Superannuation Guarantee (Administration) Regulations ("the Regulations").
- 1.4 The classes of Member to which this Benefit Certificate relates and the required information for each class are set out in Attachments 1, 2, 3, 4 and 5. If the Employer has agreed with a Member to make all contributions in respect of the Member to another superannuation fund for any period of membership, this Benefit Certificate shall not apply in respect of that period of membership.
- 1.5 This Benefit Certificate has been prepared at the request of the LGIAsuper Trustee ("the Trustee").

2. Background

- 2.1 The Scheme is a defined benefit superannuation scheme as defined in Section 6A of the Superannuation Guarantee (Administration) Act 1992.
- 2.2 The Scheme is governed by a Trust Deed dated 1 July 2011 and subsequent amendments which have been consolidated into a deed dated 5 March 2018 ("Consolidated Trust Deed") and is currently a complying superannuation fund under Section 995-1 of the Income Tax Assessment Act 1997.
- 2.3 This Certificate replaces the previous Certificate for the Scheme which I issued dated 1 September 2014.

3. Minimum Requisite Benefits

- 3.1 The Minimum Requisite Benefits applicable to each class of Members covered by this Certificate are defined in Attachments 1, 2, 3, 4 or 5 of this Certificate.

4. Specification of NECR

- 4.1 The SG Act requires that in order to offset the SG Charge the following minimum levels of employer support are to be provided from a complying superannuation fund from the dates shown:

Date	Required Contribution Level
1 July 1992 to 31 December 1992	4%
1 January 1993 to 30 June 1995	5%
1 July 1995 to 30 June 1998	6%
1 July 1998 to 30 June 2000	7%
1 July 2000 to 30 June 2002	8%
1 July 2002 to 30 June 2013	9%
1 July 2013 to 30 June 2014	9.25%
1 July 2014 to 30 June 2021	9.5%

The focus of this Certificate is for the period on or after 1 July 2018 where a 9.5% SG requirement applies.

Contribution levels are required for all qualifying employees and are expressed as a percentage of Notional Earnings Base.

Qualifying employees are those under age 65 (prior to 1 July 1997) or those under age 70 (from 1 July 1997 and prior to 1 July 2013) or those of all eligible ages (from 1 July 2013) who are not otherwise excluded under Sections 27 and 28 of the SG Act and either:

- i. whose salary exceeds \$450 per month; or
- ii. whose salary is less than \$450 per month but where the employer has still elected to make regular contributions as if the SG requirement applied.

- 4.2 For the purpose of this Certificate, the Notional Earnings Base is taken to be:

- i. for the period to 30 June 2008 - the Member's salary as defined in the Consolidated Trust Deed.
- ii. from 1 July 2008 - 'Ordinary Time Earnings' as defined under Section 6 of the SG Act.

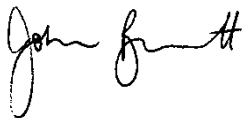
A cap is placed on the Notional Earnings Base equal to the SG maximum contribution base. The cap is applied quarterly and is \$216,120 per annum (\$54,030 per quarter) for the year ending 30 June 2019, with future annual increases in line with movements in Average Weekly Ordinary Time Earnings.

- 4.3 The Notional Employer Contribution Rates met by the Scheme for each class of Members covered by this Certificate are set out in Attachments 1, 2, 3, 4 or 5 and are a measure of employer support in providing the Minimum Requisite Benefit for SG purposes.
- 4.4 Throughout the period of currency of this Benefit Certificate, the Employer may offset the obligation to pay Superannuation Guarantee contributions under the Superannuation Guarantee (Administration) Act 1992 to the extent of contributions in respect of each Member at the level of the NECR specified in the relevant Attachment to this Certificate.

5. Application of Certificate

- 5.1 This Benefit Certificate takes effect from 1 July 2018 and will apply until 30 June 2021 unless:
- i. the benefits of the Scheme are changed for Members covered by the Certificate;
 - ii. another certificate is issued with an effective commencement date prior to 30 June 2021; or
 - iii. there is a change in the prescribed minimum employer superannuation contribution rate;

Dated this 3rd day of August 2018



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Attachment 1

LG Super Members as defined under Chapter 3 of the Consolidated Trust Deed – Division 2 - Defined Benefit Members

1. The Minimum Requisite Benefit (MRB) is:

A plus B plus C minus D plus E plus F

Where:

A is the Member's voluntary accumulation account balance comprising any additional voluntary contributions above those required under the Scheme made by or on behalf of the Member, less allowance for tax (15% of those contributions made on a before-tax basis or such other tax rate as determined by the Trustee) and any other additional account balances which include any other payments made to the Scheme (such as Government co-contributions or other Government payments or amounts received under the Spouse contributions-splitting provisions) and;

B is the Member's Minimum Vested Benefit as determined in accordance with Clause 154(d) of the Consolidated Trust Deed of the Scheme;

C is the amount as determined in accordance with Clause 154(c)(iii) of the Consolidated Trust Deed of the Scheme, in respect of a Member who was a Member at 30 June 1992;

D is the amount transferred from the Member's benefit (including any associated fees or expenses) where not already taken into account in items A to C arising from:

- i. Payments to the Member's spouse or former spouse under the terms of a Splitting Law;
- ii. Amounts deducted by the Trustee to meet the cost or reimburse the Scheme for surcharge tax assessments issued under the Superannuation Contribution (Assessment and Collection) Act 1997 in respect of the Member;
- iii. Any further amounts paid from the Scheme in respect of the Member, such as amounts paid from the Member's benefit in the Scheme for excess concessional and non-concessional contributions tax, high income earner additional contributions tax and no-TFN tax as required under Sections 291, 292, 293 and 295-I (respectively) of the Income Tax Assessment Act 1997;
- iv. Amounts paid or transferred from the Member's benefit in the Scheme such as may occur under the portability or conditions of release provisions under the Superannuation Industry (Supervision) Act 1992;

E is the contributions by the employer (reduced by 15% contributions tax) equal to NECR % of the excess (if any) of the Member's NEB over the Member's Salary (as defined in the Consolidated Trust Deed of the Scheme), as calculated for periods of service after 1 July 2008, where not already taken into account in items A to D:

Where:

NECR is the Notional Employer Contribution Rate as set out in Section 4.1 of this Certificate;

NEB is the Member's Notional Earnings Base as set out in Section 4.2 of this Certificate;

F is the MRB component of any benefit transferred into the Scheme or any further amounts paid or transferred to the Scheme in respect of the Member where not already taken into account in items A to E.

2. Indexation of amounts in Section 1 of this Attachment is to occur with investment earnings applied to all the above items at the rates determined by the Trustee from time to time to ensure compliance with the Superannuation Guarantee Legislation. Specifically, items B and C are accumulated at an earning rate that may be different to the accumulation comparison rate to ensure this compliance. Also, Family Law offset amounts under splitting arrangements are required to be indexed in line with relevant legislation.
3. The date of calculation of the MRB is the date that service ceases. From this date until the date of payment, the MRB receives investment earnings as determined by the Trustee with reference to the Scheme's Cash investment option or such other investment option chosen by the Member.
4. There is to be no double-counting of contributions or other payments in the determination of the MRB as outlined.
5. The NECR for this Class of Members applying to service after 1 July 2018 is 9.5%. The NECR for earlier periods is as set out in Section 4.1 of this Certificate.
6. It should be noted that meeting this NECR depends on the Member's employer making contributions at the required levels. Particular attention of each employer is drawn to the requirements under item E in Section 1 of this Attachment.

Attachment 2

LG Super Members as defined under Chapter 3 of the Consolidated Trust Deed – Division 1 - Accumulation Benefit Members, excluding employees of Associated Employers

1. The Minimum Requisite Benefit (MRB) is the amount determined in accordance with Clause 142 of the Consolidated Trust Deed of the Scheme.
2. To avoid any doubt, the Minimum Requisite Benefit includes allowance for the following items (adjusted having regard to any fees or expenses payable):
 - i. any amount transferred from the Defined Benefits Fund in respect of the Member;
 - ii. amounts deducted by the Trustee to meet the costs or reimburse the Scheme for surcharge tax assessments issued under the Superannuation Contribution (Assessment and Collection) Act 1997 in respect of the Member;
 - iii. amounts paid or transferred to the Member's spouse or former spouse under the terms of a Splitting Law;
 - iv. amounts paid or transferred from the Member's benefit in the Scheme such as may occur under the portability or conditions of release provisions under the Superannuation Industry (Supervision) Act 1992;
 - v. amounts paid to or from the Member's benefit in the Scheme (for excess concessional and non-concessional contributions tax, high income earner additional contributions tax and no-TFN tax) as required under Sections 291, 292, 293 and 295-I (respectively) of the Income Tax Assessment Act 1997;
 - vi. voluntary contributions made by the Member (reduced by 15% tax if paid before-tax);
 - vii. amounts paid or transferred to the Member's benefit in the Scheme from Government co-contributions or other Government incentive payments;
 - viii. the MRB component of any benefit transferred into the Scheme or any further amounts paid or transferred to the Scheme in respect of the Member;
 - ix. for any period on or after 1 July 2008, those Employer Contributions that relate to the extent to which 9% (until 30 June 2013) or 9.25% (from 1 July 2013 until 30 June 2014) or 9.5% (from 1 July 2014) of the Member's Ordinary Time Earnings (which may be limited to the maximum Notional Earnings Base) exceed the standard employer contributions under the Scheme (as advised by the employer), less allowance for tax (at 15% of such contributions or such other rate as determined by the Trustee);
 - x. other amounts either paid to or transferred from the Member's benefit in the Scheme.
3. Indexation of amounts in Section 2 of this Attachment is to occur with investment earnings applied to all the above items at the rates determined by the Trustee from time to time based on the investment selections, where applicable, made by the Member for their benefits and in accordance with the Consolidated Trust Deed of the Scheme.
4. The date of calculation of the MRB is the date the benefit is paid.
5. There is to be no double counting of contributions or other payments in the determination of the MRB as outlined.

6. The NECR for this Class of Members applying to service after 1 July 2018 is 9.5%. The NECR for earlier periods is as set out in Section 4.1 of this Certificate.
7. It should be noted that meeting this NECR depends on the Member's employer making contributions at the required levels. Particular attention of each employer is drawn to the requirements under item ix in Section 2 of this Attachment.

Attachment 3

LG Super Members as defined under Chapter 3 of the Consolidated Trust Deed – Division 1 - Accumulation Benefit Members who are employees of Associated Employers

1. The Minimum Requisite Benefit (MRB) is the amount determined in accordance with Clause 142 of the Consolidated Trust Deed of the Scheme.
2. To avoid any doubt, the Minimum Requisite Benefit includes allowance for the following items (adjusted having regard to any fees or expenses payable):
 - i. any amount transferred from the Defined Benefits Fund in respect of the Member;
 - ii. amounts deducted by the Trustee to meet the costs or reimburse the Scheme for surcharge tax assessments issued under the Superannuation Contribution (Assessment and Collection) Act 1997 in respect of the Member;
 - iii. amounts paid or transferred to the Member's spouse or former spouse under the terms of a Splitting Law;
 - iv. amounts paid or transferred from the Member's benefit in the Scheme such as may occur under the portability or conditions of release provisions under the Superannuation Industry (Supervision) Act 1992;
 - v. amounts paid to or from the Member's benefit in the Scheme (for excess concessional and non-concessional contributions tax, high income earner additional contributions tax and no-TFN tax) as required under Sections 291, 292, 293 and 295-I (respectively) of the Income Tax Assessment Act 1997;
 - vi. voluntary contributions made by the Member (reduced by 15% tax if paid before-tax);
 - vii. amounts paid or transferred to the Member's benefit in the Scheme from Government co-contributions or other Government incentive payments;
 - viii. the MRB component of any benefit transferred into the Scheme or any further amounts paid or transferred to the Scheme in respect of the Member;
 - ix. other amounts either paid to or transferred from the Member's benefit in the Scheme.
3. Indexation of amounts in Section 2 of this Attachment is to occur with investment earnings applied to all the above items at the rates determined by the Trustee from time to time based on the investment selections, where applicable, made by the Member for their benefits and in accordance with the Consolidated Trust Deed of the Scheme.
4. The date of calculation of the MRB is the date the benefit is paid.
5. There is to be no double counting of contributions or other payments in the determination of the MRB as outlined.

6. The NECR is calculated individually for each Member, and can vary from quarter to quarter. It is equal to the amount advised by the employer as the employer contributions¹ and credited to the Member in respect of each quarter expressed as a percentage of their Ordinary Time Earnings from the employer (subject to the maximum contribution base) for that same quarter up to a maximum of the Charge Percentage (expressed as a percentage) determined for that period in respect of the Member's employer in accordance with the SG Act.

¹ Employer contributions made during a quarter can include any contributions made to the relevant Member's account, that could be used to reduce the employer's Superannuation Guarantee Charge if the Scheme were an accumulation fund (Section 23 of the SG Act), in respect of the quarter even where made prior to or after the quarter.

Attachment 4

City Super Members as defined under Chapter 4 of the Consolidated Trust Deed – Part 2 – Defined Benefit Members

1. The Minimum Requisite Benefit (MRB) up to age 70 is:

A plus B plus C plus D minus E plus F

Where:

A is the Member's Minimum Requisite Benefit as at 30 June 2004 (refer previous Plan's benefit certificate dated 6 September 2002), first reduced by the sum of the balances of the Member Additional Account, Occupational Plan Account, Rollover Account, Surcharge Account and Family Law Account (if any) of the Member as at 30 June 2004, then multiplied by the ratio:

$(\text{FAS at the MRB calculation date}) / (\text{FAS at 30 June 2004});$

B is the following amount, calculated as:

$1.08 \times \text{FAS} \times \text{DF} \times [\text{MCR} / 0.85 + \text{NECR}[i] - 3\%] \times \text{PRESERV} +$

Sum for all [i]:

$1.05488 \times \text{OTE} \times \text{DF} \times [\text{MCR} / 0.85 + \text{NECR}[i] - 3\%] \times \text{POSTSERV}[i] +$

$3\% \times \text{DF} \times \text{maximum}(0, [1.0548 \times \text{OTE} - 1.08 \times \text{FAS}]) \times \text{POSTSERV}[i]$

C is the accumulation of the Member's Occupational Plan Account balance as at 30 June 2004 together with employer contributions since 1 July 2004 at the rate of 3% of Salary, less allowance for tax (at 15% of those contributions made or such other tax rate as determined by the Trustee);

D is the Member's voluntary accumulation account balance (including Surcharge Account but excluding the Occupational Plan Account Balance) comprising any additional voluntary contributions above those required under the Scheme made by or on behalf of the Member, less allowance for tax (15% of those contributions made on a before-tax basis or such other tax rate as determined by the Trustee) and any other additional account balances which include any other payments made to the Scheme (such as Government co-contributions or other Government payments or amounts received under the Spouse contributions-splitting provisions) or any other payments made from the Scheme on behalf of the Member (less allowance for any associated fees or expenses);

E is the amount transferred from the Member's benefit (including any associated fees or expenses) where not already taken into account in items A to D arising from:

- i. Payments to the Member's spouse or former spouse under the terms of a Splitting Law;
- ii. Amounts deducted by the Trustee to meet the cost or reimburse the Scheme for surcharge tax assessments issued under the Superannuation Contribution (Assessment and Collection) Act 1997 in respect of the Member;
- iii. Any further amounts paid from the Scheme in respect of the Member, such as amounts paid from the Member's benefit in the Scheme for excess concessional and non-concessional contributions tax, high income earner additional contributions tax and no-TFN tax as required under Sections 291, 292, 293 and 295-I (respectively) of the Income Tax Assessment Act 1997;

- iv. Amounts paid or transferred from the Member's benefit in the Scheme such as may occur under the portability or conditions of release provisions under the Superannuation Industry (Supervision) Act 1992;

F is the MRB component of any benefit transferred into the Scheme or any further amounts paid or transferred to the Scheme in respect of the Member where not already taken into account in items A to E.

Where in order to determine item B above:

NECR[i]	is the Notional Employer Contribution Rate as defined in Section 4.1 of this Certificate for period i (for example for the period from 1 July 2004 to 30 June 2013 the NECR is 9.00%, for the period from 1 July 2013 to 30 June 2014 the NECR is 9.25% and for the period from 1 July 2014 the NECR is 9.5%);
MCR	is the rate of required Member contributions (being 5%);
FAS	is the Member's Final Average Salary, as defined in the Rules of the Scheme, determined at the date of calculation of the MRB unless otherwise specified;
OTE	is the Member's Ordinary Time Earnings, (or full-time equivalent OTE in the case of a part-time Member), over the year ending 30 June co-incident with or next preceding the date of calculation, with Ordinary Time Earnings determined as set out in the SG Act, subject to a maximum of the annual amount of the maximum contribution base as specified from time to time for the purpose of the SG Act;
PRESERV	is the number of years and fractions of a year based on complete days, coincident with Scheme membership completed after 30 June 2004 up to 30 June 2008;
POSTSERV[i]	is the number of years and fractions of a year based on complete days, coincident with Scheme membership over period i (membership must be from 1 July 2008 and will be divided into periods corresponding to each NECR. For example membership in the period 1 July 2008 to 30 June 2013 is one period, membership from 1 July 2013 to 30 June 2014 is the next period and membership from 1 July 2014 is a further period) ;
DF	is a discount factor which is 1 at age 65 or more reducing by 1.5% for each year (with each complete month counting as one-twelfth of a year) by which the Member's age at the date of exit precedes age 65 and subject to a minimum factor of 0.7 for ages at exit of 45 or below.

2. The date of calculation of items A and B is the date service ceases, from this point to the date of payment the crystallised value of the Member's benefit is invested in Cash (or such investment option selected by the Member) and receives the investment earnings of that option as determined by the Trustee.
3. Indexation of amounts C, D, E and F in Section 1 of this Attachment is to occur with investment earnings applied to all the above items at the rates determined by the Trustee from time to time.
4. Earnings in respect of Family Law related amounts can be at a prescribed rate rather than a rate reflecting investment earnings.
5. The MRB at age 70 or older is the sum of the following items (adjusted as appropriate for any taxes, or expenses as determined by the Trustee):

- a. The MRB determined at age 70 using Section 1 of this Attachment together with investment earnings after that date applied by the Trustee to that portion of the Member's benefit;
 - b. Contributions paid by the Member on or after age 70 together with investment earnings applied by the Trustee to that portion of the Member's benefit;
 - c. Contributions by the Member's employer for a qualifying employee at the NECR rate of Ordinary Time Earnings (which may be limited to the maximum Notional Earnings Base) together with investment earnings applied by the Trustee to that portion of the Member's benefit;
 - d. Any other payments to or from the Member's benefit such as outlined in items D, E and F above together with investment earnings applied by the Trustee to that portion of the Member's benefit.
6. There is to be no double counting of contributions or other payments in the determination of the MRB as outlined.
7. The NECR for this Class of Members applying to service after 1 July 2018 is 9.5%. The NECR for earlier periods is as set out in Section 4.1 of this Certificate.
8. It should be noted that meeting this NECR depends on the Member's employer making contributions at the required levels. Particular attention of each employer is drawn to the requirements under item c in Section 5 of this Attachment.

Attachment 5

City Super Members as defined under Chapter 4 of the Consolidated Trust Deed – Part 3 – Accumulation Benefit Members

1. The Minimum Requisite Benefit (MRB) is:

A plus B plus C plus D minus E minus F plus G

Where:

A is the MRB applying to the Member at 30 June 2004 (refer previous Plan's benefit certificate dated 6 September 2002);

B is the member contributions made since 1 July 2004, including any voluntary contributions above those required to be made. In addition, any other payments made in respect of the member (such as Government co-contributions or other Government payments or amounts received under the Spouse contributions-splitting provisions) are included in this item;

C is the notional employer contributions since 1 July 2004 calculated at the rate of the NECR x Salary;

D is the employer contributions for any period on or after 1 July 2008 that relate to the extent to which 9% (until 30 June 2013) or 9.25% (from 1 July 2013 to 30 June 2014) or 9.5% (from 1 July 2014) of the Member's Ordinary Time Earnings (which may be limited to the maximum Notional Earnings Base) exceed the standard employer contributions under the Scheme (as advised by the employer);

E is the allowance for tax (at 15% of employer contributions including notional employer contributions and member pre-tax contributions, or such other rate as determined by the Trustee), surcharge payments, expenses and insurance costs as determined by the Trustee, where not already taken into account in items A to D;

F is the amount transferred from the Member's benefit (including any associated fees or expenses) where not already taken into account in items A to E arising from:

- i Payments to the Member's spouse or former spouse under the terms of a Splitting Law;
- ii Amounts deducted by the Trustee to meet the cost or reimburse the Scheme for surcharge tax assessments issued under the Superannuation Contribution (Assessment and Collection) Act 1997 in respect of the Member;
- iii Any further amounts paid from the Scheme in respect of the Member, such as amounts paid from the Member's benefit in the Scheme for excess concessional and non-concessional contributions tax, high income earner additional contributions tax and no-TFN tax as required under Sections 291, 292, 293 and 295-I (respectively) of the Income Tax Assessment Act 1997;
- iv Amounts paid or transferred from the Member's benefit in the Scheme such as may occur under the portability or conditions of release provisions under the Superannuation Industry (Supervision) Act 1992;

G is the MRB component of any benefit transferred into the Scheme or any further amounts paid or transferred to the Scheme in respect of the Member where not already taken into account in items A to F.

2. Indexation of amounts in Section 1 of this Attachment is to occur with investment earnings applied to all the above items at the rates determined by the Trustee from time to time based on the investment selections, where applicable, made by the Member for their benefits and in accordance with the Consolidated Trust Deed of the Scheme.
- 3 The date of calculation of the MRB is the date the benefit is paid.
- 4 There is to be no double counting of contributions or other payments in the determination of the MRB as outlined.
- 5 The NECR for this Class of Members applying to service after 1 July 2018 is 9.5%. The NECR for earlier periods is as set out in Section 4.1 of this Certificate.
- 6 It should be noted that meeting this NECR depends on the Member's employer making contributions at the required levels. Particular attention of each employer is drawn to the requirements under item D in Section 1 of this Attachment.