

Pension Payment Agreement
The Krishnappa Superannuation Fund

Parties

Trustee(s): E Krishnappa and C Krishnappa
PO Box 682 Unley 5061

Member: Ega Krishnappa
PO Box 682 Unley 5061

Background

1. The Trustee(s) are the trustees of the Fund.
2. The Member is a member of the Superannuation Fund.
3. The Member has satisfied a condition of release and is entitled to commence an account based pension.
4. The Member and the Trustee have agreed that an account based pension will be paid to the Member from the Member's interest in the Superannuation Fund.
5. The terms of the pension are set out in this agreement.
6. The Parties acknowledge and accept that the terms of the pension must be consistent with the Governing Rules of the Superannuation Fund and with Division 1A .1 of the Superannuation Industry (Supervision) Regulations 1994 as amended from time to time ("SIS Regulations") and with the schedules associated with the Division.

Operative Provisions

Payment of Pension

1. The Trustee will, with effect on and from the pension commencement date, pay an account based pension from the Fund to the Member based upon the initial pension account balance.
2. The Trustee must make at least one pension payment in any 12 month period.

Pension Amount

1. The annual pension amount in respect of each financial year will be whichever is the greater of:
 - a. the amount (if any) specified in the schedule (which will, for the financial year in which the pension commenced, be pro rated where the pension commencement date is not 1 July); and
 - b. the Minimum Statutory Amount.
2. Despite clause 1, if the pension commencement date of the pension is 1 June or another day in June, no payment of the pension will be made in respect of the financial year in which the pension commences unless the Trustee and the pension beneficiary agree otherwise.
3. Despite clause 2, the pension beneficiary may alter the annual pension amount (whether by increasing or decreasing the annual pension amount) so long as the annual pension amount is not less than the amount referred to in clause 1 (b).

Payment Details

Unless the Trustee and the pension beneficiary determine otherwise, pension payments will be made half yearly in arrears.

Non-standard pension payments

The pension beneficiary may at any time request a non-standard pension payment of such amount as the pension beneficiary specifies and the Trustee must exceed to the request.

Rolling back the pension to accumulation phase

The pension beneficiary may commute (in part or in full) the pension and require the Trustee to apply the resulting computation lump sum as a credit to an accumulation interest in the superannuation fund for the pension beneficiary.

Cashing out the pension

The pension beneficiary may commute (in part or in full) the pension and require the trustee to apply the resulting commutation lump sum as a payment to the pension beneficiary.

Rolling over the pension to another fund

The pension beneficiary may commute (in part or in full) the pension and require the Trustee to apply the resulting commutation lump sum as a transfer payment to another complying superannuation fund (or a similar superannuation entity such as a rollover annuity) for the benefit of the pension beneficiary.

Minimum Statutory Payment to be made before commutation

The Trustee must, (except in the situations mentioned below) before commuting the pension, ensure that the pension payments equal to the minimum statutory amount (pro rated up to the date of commutation) has been made in respect of the financial year in which the commutation occurs.

The requirement of this clause does not apply in the following situations:

- a) where the commutation results from the death of the Member;
- b) where the commutation is for the sole purpose of paying a superannuation contribution surcharge, paying the entitlement of a nonmember spouse of the pension beneficiary under a payment split or in meeting the rights of the pension beneficiary to return a financial product under Division 5 of Part 7.9 of the Corporations Act, 2001;
- c) where the commutation is a partial commutation and the pension account balance after the commutation equals or exceeds the amount required to be paid after the commutation in order to satisfy the minimum payment requirement for the financial year in which the commutation occurred.

Transfer of Pension

The pension can only be transferred on the death of the Member.

Reversionary Beneficiary

Where the pension is reversionary then the pension must be transferred to the Reversionary Beneficiary on the death of the Member so long as the Reversionary Beneficiary survives the

Member and is, immediately before the death of the Member beneficiary, a Dependent of the Member.

Where the pension is not reversionary or if reversionary beneficiary has either not survive the Member or is not a Dependent of the Member then the pension account balance will be treated as a death benefit of the Member and will be distributed by the Trustee in accordance with the Governing Rules of the Superannuation Fund subject to any binding death benefit nomination the Member has made.

Pension is Transitional to Retirement

Where the entitlement of the Member to commence the pension is that the Member has "Reached Preservation Age" then the pension will be a Transition to Retirement Pension and the following restrictions apply for the duration of the Restriction Period:

- a) The pension payments in any financial year must not exceed 10% of the pension account at the start of the financial year (or if the pension commenced during that financial year – 10% of the initial pension account balance);
- b) The pension cannot be commuted except for the purpose of providing a superannuation lump sum to the Member where the commutation relates solely to the cashing out of unrestricted non-preserved benefits of the Member;
- c) The pension can be commuted for the purpose of giving effect to the payment of a superannuation contributions surcharge liability of the Member, to give effect to the entitlement of a non-member spouse of the Member under a payment split and to discharge an excess tax liability of the Member under a release Authority or a Transitional Release Authority.

The Restriction period will cease upon whichever of the following first happens in respect of the Member:

- a) The death of the Member
- b) The member reaches age 65
- c) The Member becomes retired for superannuation purposes

Other requirements

The capital value of the pension and the income from the pension cannot be used as a security for a borrowing.

The account balance supporting the pension cannot be added to by way of contribution or rollover after the commencement of the pension but the account balance may be added to by way of investment earnings (positive or negative) and transfers from investment fluctuation accounts.

This agreement binds the member's successors and legal personal representatives.

For the purposes of this Agreement:

"Dependant" means a person who is the spouse of the Member, a person who is a financial dependent of the Member, a person with whom the Member had an interdependency relationship or an Eligible Child of the Member;

"Eligible Child" of a member is a child of the Member who:

- a) has not attained age 18;
- b) has attained age 18 but not age 25 and is financially dependent on the Member; or

c) has attained age 18 and has a disability of a kind described in s8 (one) of the disability services act, 1986;

“Minimum Statutory Amount” in respect of a financial year means the amount calculated in accordance with Schedule 7 of the SIS regulations.

“Pension Beneficiary” means the Member and, if the pension is reversionary and the pension has transferred to the Reversionary Beneficiary, means the Reversionary Beneficiary.

Ega Krishnappa

E Krishnappa

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C Krishnappa

C Krishnappa

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The Krishnappa Superannuation Fund

Rules for Payment of an Account Based Pension to E Krishnappa

Commencement Date	1 July 2017																
Balance of Account	\$766,319.53 Tax free component 14.39708316%																
Reversionary Pensioner	Nil																
Rules	<p>Payments must be made at least annually</p> <p>Pension is not to be transferred upon death to anyone other than the reversionary pensioner</p> <p>The sum paid each year is subject to a minimum sum based on a member's account balance and age at the commencement of the pension and then annually as at 1 July each year. The sum payable is calculated by multiplying the member's pension account balance by the relevant percentage factor set in the Regulations of the Superannuation Industry (Supervision) Act 1993 (SISR).</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">% of Members account balance to be taken as income</th> </tr> </thead> <tbody> <tr> <td>Age under 65</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>Age 65 – 74</td> <td style="text-align: right;">5%</td> </tr> <tr> <td>Age 75 – 79</td> <td style="text-align: right;">6%</td> </tr> <tr> <td>Age 80 – 84</td> <td style="text-align: right;">7%</td> </tr> <tr> <td>Age 80 – 89</td> <td style="text-align: right;">9%</td> </tr> <tr> <td>Age 90 – 94</td> <td style="text-align: right;">11%</td> </tr> <tr> <td>Age 95 and over</td> <td style="text-align: right;">14%</td> </tr> </tbody> </table>		% of Members account balance to be taken as income	Age under 65	4%	Age 65 – 74	5%	Age 75 – 79	6%	Age 80 – 84	7%	Age 80 – 89	9%	Age 90 – 94	11%	Age 95 and over	14%
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