

RAYA SUPER FUND

INTRODUCTION

This document establishes a Self Managed Superannuation Fund which commenced on the date specified in the Schedule.

This is a Self Managed Superannuation Fund established and maintained to provide benefits in the form of a lump sum payment or an old age pension for its Members upon retirement and for the Dependants of Members upon the death of Members. It permits the payment of benefits to other persons connected with Members in certain circumstances.

The Fund is intended to be a 'Regulated Superannuation Fund' and a 'Complying Superannuation Fund' as defined in the Superannuation Law and the Regulations made under that Act.

The intention of the Deed is to impose an obligation upon the Trustee and Manager of the Fund to manage the Fund in accordance with Superannuation Law for the benefit of Members and the Dependants of Members so that Members and their Dependants may take advantage of the benefits available to persons who contribute to Superannuation to provide for their retirement.

The primary (but not necessarily the sole) purpose of this Fund is the provision of benefits to a Member or a Member's Dependant upon retirement or death of a Member.

This document is intended as a general guide to the Trustee who should on all matters have recourse to professional advice concerning the particular requirements of the Superannuation Law.

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SELF MANAGED SUPERANNUATION FUND

DEED AND RULES

THIS DEED which establishes an indefinitely continuing Self Managed Superannuation Fund is made on the day stated at Item 1 (the date of this Deed) in the Schedule by the person or persons (a Company is a legal person) named as Trustee in the Schedule (hereinafter called "the Trustee") for the benefit of:-

- the person or persons who are now Members of the Fund; and
- any person who on any date after the date hereof applies to be a Member; and
- any person who as a consequence of the operation of the law relating to succession or the operation of the Superannuation Law on any date after the date hereof becomes a Member.

BACKGROUND

- (1) There is no Government funded compulsory universal Superannuation Insurance Scheme in Australia however the Government encourages individuals to save and make provision for their retirement.
- (2) By way of encouragement the Superannuation Law firstly makes it compulsory for all employers to contribute to superannuation for employees and secondly gives concessional tax treatment to Superannuation Funds that comply with the Superannuation Law.
- (3) The Superannuation Law allows the establishment of Superannuation Funds that are both large and small so that an individual may have the choice of contributing to an industry managed Superannuation Fund or to a Self Managed Superannuation Fund.
- (4) The Superannuation Law permits payments to be made to a Superannuation Fund by or for the benefit of a person (and the dependants of that person) who is gainfully employed either full time, part time or on a casual basis. This includes payments made under an award, agreement, or under Superannuation Guarantee Legislation.

WHEREAS

- A) The Trustee is desirous of **establishing** and indefinitely continuing a Self Managed Superannuation Fund named in the Schedule for the benefit of the Members as at the date of this Deed and any person (including the dependants of such persons) who is entitled at law to be a Member of a Superannuation Fund and who joins the Fund on or after the date of this Deed.
- B) The Trustee has agreed to act as Trustee and in that capacity is in this Deed and the governing rules called the Trustee.

- C) The Fund is to be managed and administered and the assets thereof are to be applied by the Trustee for the benefit of Members and the dependants of Members in accordance with The Superannuation Law

NOW THIS DEED WITNESSETH

ESTABLISHMENT OF THE FUND

- 1) That as and from the date of this Deed the Superannuation Fund is established and the Trustee shall from the date of this Deed hold all contributions, assets, investments and other property of the Fund upon and in accordance with the trusts contained in this Deed, the Governing Rules and the Superannuation Law.
- 2) The Fund shall commence operation upon execution of this Deed by the Trustee and shall be known by the name specified in the Schedule or any other name that the Trustee may from time to time decide upon.
- 3) The Governing Rules shall be the Rules as set out in this Deed under the heading The Governing Rules. The Governing Rules may be amended from time to time subject to any contrary or overriding requirement contained in the Superannuation Law.
- 4) The Trustee is to have the greatest flexibility in the management of the Fund as shall be permitted by the Superannuation Law and for that purpose rule shall take precedence over all other rules of the Fund and any conflicting rule or rules must as the case may require be read down.
- 5) In the event that any part of this Deed or any rule or any part of a rule shall offend against the Superannuation Law or is unenforceable or is illegal or is so vague as to be meaningless, such part of this Deed, such rules, rule or part of a rule shall be read down so as to be given as much effect as is possible so as to be valid, enforceable and comply with the Superannuation Law and ensure that no re-settlement shall be allowed to occur or if it cannot be so read down the rules, rule or part of a rule, or where possible, the offending words, shall be severed from this Deed and the Governing Rules without affecting the validity or legal enforcement of the remaining part or rules or rule or part of a rule so as to allow the Fund to continue in force and effect as if the written down or the severed part, rules, rule or part of a rule had never been part of this Deed or the Governing Rules.

1. THE GOVERNING RULES

Who can be a Member?

Any person may be a Member of this Fund (including a person under the age of 18) provided such person shall be not be excluded by any provision in the Superannuation Law.

1. If a person under the age of 18 applies to be a Member then:-
 - 1.1 the application for membership must be made by the person's legal personal representative, parent or guardian; and
 - 1.2 all decisions of the under age Member must be made by the person's legal personal representative, parent or guardian; and

- 1.3 when the under age Member becomes 18 he or she must become a Trustee or Director of the Trustee Corporation as the case may require.

Are all Members bound by these Rules?

2. Each person whom the Trustee has invited to join the Fund and who intends to join the Fund must sign an application in a form determined by the Trustee. Such application shall be deemed to be an agreement by the Member to be bound by these rules. Each Member on joining the Fund must receive a copy of these rules and shall be bound by them.

How are new Members admitted to the Fund?

- 3.1 If a person wishes to become a Member then the person must make application to the Trustee in such form as the Trustee may from time to time determine. The applicant must provide the Trustee with the following:-
 - 3.1.1 the applicant's full name; and
 - 3.1.2 the applicant's address, phone number, and an electronic address; and
 - 3.1.3 the applicant's date of birth; and
 - 3.1.4 the applicant's Tax File Number; and
 - 3.1.5 the applicant's undertaking to comply with these rules, the Superannuation Law, and the obligations of a Trustee imposed by Trust Law; and
 - 3.1.6 a consent in writing to being appointed a Trustee or if the Trustee is a Constitutional Corporation a consent in writing to being appointed a director; and
 - 3.1.6 such other information as the Trustee may reasonably request.
- 3.2 As soon as practicable after the Trustee has received the application the Trustee must meet and make a determination as to whether or not to admit the applicant to membership and communicate that decision to the applicant.

CONTRIBUTIONS AND INVESTMENTS

Who can contribute to this Fund?

4. A Member, Member's spouse, employer, a government, or government instrumentality, another fund, and any other person permitted by the Superannuation Law, may contribute to the Fund in such manner, at such times and for such time as the Member, Member's spouse, employer or other person may from time to time agree with the Trustee.
 - 4.1 The Trustee may accept contributions:-
 - 4.1.1 if a Member is under 65;
 - 4.1.2 if the Member is not under 65 but is under 75, contributions that are mandated employer contributions, or if the Member has been gainfully employed on at least a part time basis during the relevant financial year, contributions received on or before the day that is 28 days after the end of the month

in which the Member turns 75 that are employer contributions (except mandated contributions) or Member contributions made by a Member;

4.1.3 if the Member is not under 75 contributions that are mandated employer contributions;

4.1.4 that are permitted by the Superannuation Law

4.2 No contribution may be made and no contribution may be accepted by the Trustee other than as permitted by the Superannuation Law.

Can the Trustee accept Superannuation Guarantee payments?

5. The Trustee is authorised to accept payments pursuant to the Superannuation Guarantee and Government Co-Contribution Laws as amended from time to time.

Can the Trustee split contributions?

6. The Trustee may "split" contributions made by or on behalf of a Member in any manner and in any proportion that may from time to time be permitted by the Superannuation Law or as directed by a Court.

How can contributions be made?

7. Contributions may be in cash or non-cash provided the value attached to a non-cash contribution is fair and reasonable in all the circumstances. Contributions may include transfers from other Funds.

Is the Trustee required to enquire into contributions?

8. Provided the Trustee shall be satisfied upon reasonable enquiry as to the value of the contribution, the Trustee is not required to make any other enquiry as to the tax deductibility or otherwise of the contribution.

Can contributions be refunded?

a. A contribution may be refunded to the person who made the contribution only if the Superannuation Law so permits and:-

- 9.1 the Member requests it;
- 9.2 the law requires the refund to be made;
- 9.3 the person who made the contribution requests that the refund be made,
- 9.4 the Member has consented thereto in writing; or
- 9.5 the contribution was made by mistake and the Trustee agrees (after reasonable enquiry) that this is so; and
- 9.6 the person asking for the refund to be made makes the request in writing and provides the Trustee with such information as reasonably supports that the payment was made by mistake ;and,
- 9.7 the request is be made within three months of the contribution being made.

How must contributions and other monies be invested?

10. The contributions to the Fund, and other monies and assets of the fund and any monies that the Trustee may from time to time borrow, must be invested

as a common fund by or on behalf of the Trustee in the Trustee's own name or in the name of any nominee selected by the Trustee in any one of the following investments (with liberty to the Trustee at any time and from time to time to vary and transpose the same) namely:-

- 10.1 any investment authorised by the law of the Commonwealth of Australia or any of the States or Territories thereof for the investment of trust funds;
- 10.2 the purchase or acquisition of real estate (whether income producing or not and wherever situated) or any estate or interest or part therein;
- 10.3 on deposit at interest or otherwise with any Bank, Building Society, Company or Body Corporate or on loan at interest or otherwise and either with or without security and upon such terms as the Trustee may think fit to any Corporation or person AND the Trustee is authorised to open and operate such Bank, Building Society or other institution account or accounts as is necessary to give effect to this power including, endorsing, discounting or issuing or otherwise dealing with any Promissory Note, Bill of Exchange, Bill of Lading, Cheque or other negotiable or transferable instrument and making any transaction by means of any electronic medium;
- 10.4 the shares or stock of any class or the bonds, debentures debenture stock notes or other securities or obligations however called of any Corporation or Body Corporate;
- 10.5 any investment, interest in any Trust arrangement or property (wherever situated) or any form or mode of investment from time to time approved by the Trustee (the intention of this rule being that the Trustee may invest or cause to be invested the moneys of the Fund in the same manner as if the Trustee were absolute and beneficial owner thereof);
- 10.6 policies of insurance or assurance as a "whole of life", "endowment", "term", or other with any Corporation registered under the Life Insurance Act 1945 (as amended);
- 10.7 in any manner that the Trustee could invest the "Trustee's" own money. Provided however no investment shall be made that contravenes any standard fixed by the Regulator or the Superannuation Law;
- 10.8 to, take on lease or license, develop, construct, hold, improve, sell, transfer, convey, surrender, lease, license or otherwise deal with any real property and, without limiting the generality of this clause, to develop any commercial or retail premises and hold or sell, transfer, convey, surrender, lease or license such premises.

What investments are not permitted?

11. Except as permitted by the Superannuation Law the Trustee must not invest any of the Funds money or assets:-
 - 11.1 in or upon any loan to a Member or a relative or related party of a Member (as defined in the Superannuation Law) either directly or by means of an arrangement being entered into for lending money to a Member in the exercise of a general power of investment;

- 11.2 in or upon any loan, investment or other security in or for the benefit of an employer of any Member;
- 11.3 in or upon any investment other than an investment permitted by the Superannuation Law;
- 11.4 in any way other than on an arms length basis;
- 11.5 in or upon any asset acquired from a Member or relative of a Member unless the same be permitted by the Superannuation Law.

The Trustee must not borrow money

- 12. The Trustee must not borrow or maintain any borrowing of money whether by way of secured or unsecured loan except:-
 - 12.1 to secure temporary finance as permitted by the Superannuation Law;
 - 12.2 as permitted by the Superannuation Law and in particular Sections 67 A & B (as amended from time to time) of the Act (which borrowing is specifically authorized by this rule) and for that purpose the Trustee may borrow money or raise any money or financial accommodation in any lawful manner, including by drawing, endorsing, accepting or otherwise dealing in any bill of exchange, promissory note or other negotiable instrument, and entering into any option agreement relating to any lending or financing facility, agreement or transaction and for the purpose of securing the repayment of any money so raised with interest at such rate as the Trustee thinks fit and upon any terms and conditions in all respect as the Trustee thinks fit, and the Trustee may assign, pledge or mortgage or charge any of the assets of the Fund as security for any such financial accommodation in any manner permitted by the Act from time to time, and may appoint any person as custodian to hold Legal Title for any asset acquired or to be acquired by the Trustee in such form as the Trustee thinks fit;
 - 12.3 as permitted by the Superannuation Law.which money so raised by the Trustee shall form part of the Fund.

Can the Trustee determine the basis of calculating earnings?

- 13. The Trustee and in the case that the Trustee shall engage an Investment Manager, the Investment Manager may exercise an unfettered discretion to determine the basis for calculating the amount of investment earnings allocated to Members. In calculating investment earnings the Trustee may deduct amounts for any anticipated liabilities, expenses or losses for which the Trustee thinks it would be appropriate to provide.

Can the Trustee determine amounts to be deducted from earnings?

- 14. The Trustee may determine which liabilities, expenses or losses (or provisions for those amounts) will be deducted directly from Members' accounts and which shall be deducted from investment earnings (which may be later allocated to Members). The Trustee may also determine how to split the liabilities, expenses or losses between various Members' accounts.

15.

Can the Trustee hold back earnings?

16. The Trustee may hold back any amount of investment earnings from allocation to Members which the Trustee thinks appropriate but if any amount of investment earning is held back it shall be held in a reserve account. The Trustee may later release amounts from the reserve account to increase investment earnings in a later period or otherwise apply them for the benefit of Members in such manner as the Trustee thinks appropriate.

Must the Trustee have a reserve strategy?

17. The Trustee must at all times have a reserve strategy which is consistent with the Trustee's investment, objectives and strategies for the Fund.

Are earnings to be allocated on a pro rata basis?

18. Unless the Trustee otherwise determines, the Trustee must allocate investment earnings (or losses) between Members on a pro rata basis according to each Member's monthly account balance. The Trustee may from time to time select another system for the allocation of investment earnings between Members, however if the Trustee selects another allocation system or changes the system the Trustee must tell any Member who is effected by the change in accordance with the requirements of the Superannuation Law.

Can the Trustee divide the Funds into parts?

18. The Trustee can divide the Fund into parts either physically or by accounting means. The Trustee in determining whether to divide the Fund into parts may take account of the needs of different investment portfolios, where different parts of the Fund have different tax rates applying to them, whether it's appropriate to separate assets that relate to one type of benefit from assets that relate to a different type of benefit and whether the Trustee generally considers such a division appropriate. The Trustee may invest different parts of the Fund differently and may apportion any income, gains, losses or outgoings, provision, tax credits, other credits or other amounts between the various parts and determine the attributes of any apportioned amount for tax or other purpose in such manner as the Trustee thinks fit.

Must the Trustee formulate investment and risk strategy?

19.1 The Trustee must formulate an investment objective and strategy and a risk management strategy to give effect to the Fund's objectives and requirements. The Trustee may determine objectives and strategies for the Fund as a whole or for parts of the Fund, invested differently. The strategies must comply with the requirements of the Superannuation Law.

19.2 The Trustee may permit a Member to have an investment choice. If it does then it must establish an investment strategy and a risk management strategy for each of the investment choices available to Members and Beneficiaries and where appropriate shall allocate or designate particular assets to be held within that strategy and must advise Members and Beneficiaries of the investment strategies and provide any other information required by the Superannuation Law to enable the Members and Beneficiaries to make decisions concerning the strategies.

Can the Trustee establish a reserve?

20. The Trustee has power to create a general reserve account which may be divided into parts or sub-parts and may pay into that account such monies as may be permitted by the Superannuation Law. The Trustee may later release such amounts from the reserve account for the benefit of Members and their Dependants as the Trustee thinks fit. The Trustee must at all times have a strategy for the reserve account which is consistent with the Trustee's investment objective and strategy for the Fund.

Can the Trustee acquire assets from a Member or a related party?

21. The Trustee must not acquire an asset from a Member or a related party of a Member unless the asset acquired is:-
- 21.1 a listed security acquired at market value; or
 - 21.2 business real property acquired at market value; or
 - 21.3 an asset transferred from a self-managed superannuation fund to the Fund as a consequence of a Family Law splitting transfer; or
 - 21.4 an asset acquired as a consequence of a merger of regulated superannuation funds; or
 - 21.5 an exempt in-house asset as permitted by section 66 (2A) of the Act; or
 - 21.6 an asset acquired for the benefit of a particular member from another regulated superannuation fund as a consequence of the breakdown of the relationship of the member as permitted by section 66 (2B) of the Act; or
 - 21.7 an asset which the Regulator determines may be acquired or;
 - 21.8 an asset which the Trustee is permitted to acquire by the Superannuation Law

Must the Trustee establish pension account?

22. If the Trustee decides to pay a Pension the Trustee must establish a pension account in the name of that pensioner and in addition to any other power or obligation may set aside assets of the Fund in specie for the purposes of the account.

What amounts must be credited to a pension account?

23. The Trustee must credit each of the following amounts to a Member's pension account:-
- 23.1 the amount the Trustee believes necessary to fund the Pension;
 - 23.2 the amount paid into the Fund in respect of the pensioner as a transfer or roll over payment which the Trustees thinks it appropriate to credit to that account;
 - 23.3 earnings of the Fund which the Trustee thinks it appropriate to credit to that account;
 - 23.4 adjustment credits;
 - 23.5 the proceeds of an annuity or insurance policy affected by the Trustee in respect of the pensioner which the Trustee thinks it appropriate to credit to the account;

- 23.6 financial assistance under Section 23 of the Superannuation Industry (Supervision) Act 1993 which the Trustee thinks it appropriate to credit to the account;
- 23.7 any other amount the Trustee thinks it appropriate to credit to the account;
- 23.8 any other amount required or permitted by the Superannuation Law.

What amounts may be debited to a pension account?

- 24. The Trustee may debit each of the following amounts to the person's pension account:-
 - 24.1 the proportion that the Trustee thinks appropriate of the expenses of the Fund;
 - 24.2 the proportion that the Trustees thinks equitable of any negative earnings of the Fund;
 - 24.3 the proportion of the loss on the disposal of investments of the Fund that the Trustee thinks equitable;
 - 24.4 payments made to or in respect of the pensioner or a reversionary beneficiary;
 - 24.5 the cost of an insurance policy or annuity effected by the Trustee in respect of the pensioner which are not debited from the Member's Accumulation Account;
 - 24.6 the amount of a levy that the Trustee thinks fair and equitable;
 - 24.7 an amount transferred to the accumulation account of a Member or beneficiary;
 - 24.8 any other amount that the Trustee thinks appropriate to debit from the account taking into account the requirements of the Superannuation Law;
 - 24.9 any other amount required or permitted by the Superannuation Law.

Must the Trustee separate assets which fund a pension?

- 25. Unless an appropriate actuarial certificate has been obtained, the Trustee must segregate from other assets those assets which are to fund a pension and:-
 - 25.1 the Trustee must value those assets at least annually and;
 - 25.2 if they are insufficient or more than sufficient to fund the pension, the Trustee must do anything that the Superannuation Law requires and;
 - 25.3 the Trustee must obtain any certificate of adequacy that the Trustee considers necessary in respect of those assets in order to comply with the Tax Act or the Superannuation Law and;
 - 25.4 do whatever the Superannuation Law requires.

Can the Trustee create accounts and sub-accounts?

- 26. The Trustee may, in addition to any other power to create reserve accounts, create such accounts and sub-accounts as the Trustee considers necessary and expedient for the management of the Fund.

- 26.1 an account must be established and maintained for each Member or Beneficiary to be called a Member's accumulation account:-
- 26.1.1 the following amounts may be credited to the appropriate account:-
- 26.1.1.1 contributions made for or on behalf of a Member;
 - 26.1.1.2 transfers from the operating account;
 - 26.1.1.3 transfers of credit amounts held in the name of a Member previously held in an approved fund;
 - 26.1.1.4 transfers from a reserve account;
 - 26.1.1.5 transfers from a Member's pension account;
 - 26.1.1.6 eligible termination payments to which the Member is entitled;
 - 26.1.1.7 the proceeds of a claim made on an insurance policy;
 - 26.1.1.8 any other amount that the Trustee shall determine from time to time;

provided the same shall not result in a breach of the Superannuation Law.

- 26.1.2 the following amounts may be debited to the appropriate accumulation account:-
- 26.1.2.1 transfers to the operating account;
 - 26.1.2.2 transfers to a Member's Pension account;
 - 26.1.2.3 transfers to a reserve account;
 - 26.1.2.4 transfers to an approved fund made at the written request of a Member;
 - 26.1.2.5 transfer to pay costs or expenses incurred by the Trustee which are specific to a Member including but not necessarily limited to insurance premiums and any other costs related to the purchase or maintenance of any insurance policy for the benefit of a Member or a Member's dependants;
 - 26.1.2.6 the payment of a benefit (other than a payment from a pension account) to a Member or a Member's dependant or a beneficiary of a Member;
 - 26.1.2.7 the purchase of an annuity;
 - 26.1.2.8 any taxation, costs, charges and expenses and provisions in respect of any of those items as the Trustee may from time to time determine;
 - 26.1.2.9 any other amount that the Trustee shall from time to time determine,

provided the same shall not result in breach of the Superannuation Law.

- 26.2 the Trustee must maintain records to show in relation to a Member's Accumulation Account the amount:-

- 26.2.1 that is required to be preserved;
 - 26.2.2 that is a restricted non-preserved benefit;
 - 26.2.3 that is or are subject to a "Nil" cashing requirement under the Superannuation Law.
- 26.3 an account must be established and maintained for each relevant Member to be called a Pension Reserve Account:-
- 26.3.1 provided the relevant credit is permitted by the Superannuation Law and the minimum balance of any relevant account does not fall below the amount required by the Superannuation Law the following amounts may be credited to a Member's Pension Reserve Account:-
 - 26.3.1.1 a transfer from a Member's Accumulation Account;
 - 26.3.1.2 a transfer from a Member's Pension Account;
 - 26.3.1.3 a transfer from an Operating Account;
 - 26.3.1.4 a transfer from any other relevant Pension Reserve Account.
 - 26.3.2 provided the relevant transfer is permitted by the Superannuation Law the following amounts may be transferred from a Pension Reserve Account:-
 - 26.3.2.1 a transfer to a Member's Accumulation Account;
 - 26.3.2.2 a transfer to a Member's Pension Account;
 - 26.3.2.3 a transfer to an Operating Account;
 - 26.3.2.4 a transfer to an Operating Reserve Account;
 - 26.3.2.5 a transfer to some other relevant Pension Reserve Account.
- 26.4 an account must be established and maintained for the general purposes of the Fund to be called an Operating Account.
- 26.4.1 the following amounts may be credited to the Operating Account:-
 - 26.4.1.1 all income and profits derived from investments of the Fund as they arise (but excluding benefits that have been rolled over or transferred into the Fund);
 - 26.4.1.2 any unrealized gain arising from a revaluation of the assets of the Fund;
 - 26.4.1.3 any adjustment necessarily or desirably made to a Member's Accumulation Account or a Members Pension account;
 - 26.4.1.4 any amount transferred from a Reserve Account;
 - 26.4.1.5 the proceed of any insurance policy which for some reason should not be transferred to a Member's Accumulation Account; and

- 26.4.1.6 any other amount that the Trustee shall determine from time to time.
- 26.4.2 the following amounts may be debited to an Operating Account:-
 - 26.4.2.1 any loss realized on the sale or disposal of any asset of the Fund;
 - 26.4.2.2 any Taxation, costs, charges, and expenses which have not been debited to a Member's Accumulation Account;
 - 26.4.2.3 any unrealized loss resulting from a revaluation of the assets or asset of the Fund;
 - 26.4.2.4 any cost or expense of purchasing or continuing an insurance policy for the benefit of a Member or Member's dependant which have not been debited to a Member's Accumulation Account;
 - 26.4.2.5 any amount transferred to a Reserve Account;
 - 26.4.2.6 any other account that the Trustee may from time to time determine.
- 26.5 if the Trustee has provided one or more Members or Beneficiaries with an investment choice then the Trustee may create a separate Member's Operating Account or Beneficiary Operating Account for each such Member or Beneficiary to facilitate the calculation of the earning rate for the relevant investment strategies.
- 26.6 an account may be established as an equalization account into which the Trustee may transfer any forfeited benefits or any other amounts permitted by the Superannuation Law:-
 - 26.6.1 any money held in the equalization account does not form any part of a members account and all income earned on the money in the account must be credited to the account
 - 26.6.2** subject to the Superannuation Law the account is to be used in accordance with any investment strategy relating to reserves to stabilise the investment earnings of the fund and to provide for contingencies

BENEFITS

How can benefits be paid?

- 27. Benefits may be paid in any manner that is permitted by the Superannuation Law. The following rules are a guide.

Can benefits be paid as a lump sum payment?

- 28. Subject to any requirement that benefits be paid in the form of an income stream, benefits may be paid in the following ways:-
 - 28.1 one or more lump sums;
 - 28.2 one or more income streams;
 - 28.3 the purchase of one or more annuities;
 - 28.4 a combination of one or more lump sums and income streams.

How are benefits paid if payment is by lump sum?

29. If payment of benefits is by way of lump sum or lump sums then by way of an amount equal to the aggregate of:-
- 29.1 the Member's accumulation; and
 - 29.2 the amount of any Life Insurance which may be received by the Trustee in respect of the Member by reason of his or her retirement, disability or death (if the case so requires) and the Trustee shall cause to be paid from the Fund to the Member or to such other person institution or approved roll-over facility as the Member directs, the whole or such part of the amount as the Member advises and shall remain in the Fund until the Member dies or requests payment of same the remainder (if any) of the amount determined adjusted by the share of any further investment earnings determined by the Trustee to be attributed to that amount; and
 - 29.3 any other amount that is required or permitted by the Superannuation Law.

Can taxation payments be deducted from payments?

30. All proper and appropriate Taxation must be deducted from any payment made to a Member, a Dependant, a Beneficiary, and in the case of a deceased Member a Personal Legal Representative before a payment is made and accounted to the Commissioner at the earliest reasonable opportunity.

Can the Trustee purchase an Annuity?

31. The Trustee may purchase for the benefit of a Member one or more Annuities as defined in the Superannuation Law which shall provide for the payment of an immediate or deferred Annuity to the Member from such date as the Member selects being not later than the Member's age requiring payments to commence under the Superannuation Law.

Can benefits be paid as Income Stream (Pension)?

32. If the Member requests in writing and the Superannuation Law permits the Trustee may pay benefits progressively to the Member as one or more income streams which income stream may be a Pension of any type permitted by the Superannuation Law from time to time.

Can the Trustee change the type of Pension?

33. If the Superannuation Law permits the Trustee may change the type of pension being paid from time to time and may pay a pension in any manner permitted by the Superannuation Law.

Can a Member stop the payment of a pension and return to an accumulation phase?

34. The Trustee upon being requested so to do by a Member may terminate the payment of a pension and rollover the balance of the Member's net account balance back to an Accumulation Account for a Member who has: -
- 34.1 returned to work; or
 - 34.2 no need for an income stream because of changed circumstances; or
 - 34.3 decided to change the income stream or benefit generally that the Member is receiving; or

- 34.4 wishes to take advantage of a change in the Superannuation Law; or
 - 34.5 satisfies some other requirement of the Superannuation Law that permits a rollover.
35. If benefits are paid as an accumulation then the Member or the Member's Dependants or Personal Representative as the case requires shall be paid at least the total of the Member's Member Financed Benefits, the Member's Mandated Employer Financed Benefits and any roll-overs or transfers from other Funds.

What are the Minimum Requirements of Income Stream?

36. If benefits are paid in the form of an income stream then the same shall be paid from the account established for that purpose and in accordance with the requirements of the Superannuation Law:-
- 36.1 the following rules shall apply as a guide to the requirements of the Superannuation Law concerning the payment of pensions (income streams);
 - 36.2 no income stream may be paid until the Trustee is satisfied upon reasonable grounds that the Superannuation Law permits the fund to pay the pension in the particular form proposed;
 - 36.3 the minimum payment of an Account Based Income Stream must (unless from time to time the Superannuation Law permits otherwise) be the following percentage of the Member's account balance in the Fund at the commencement of the relevant financial year or, in the case of a new pension fund, at the commencement of the new pension fund for the minimum Member's relevant age;

Age of Beneficiary	Minimum Percentage that must be paid
Under 65	4
65 – 74	5
75 – 79	6
80 – 84	7
85 – 89	9
90 – 94	11
95 plus	14

- 36.4 The maximum annual payment of a Transition to Retirement Income Stream (excluding payments by way of commutation) including payments under a payment split must not exceed 10% of the Member's net account balance of the assets supporting the payment stream;
- 36.5 the income stream must be paid from the balance of the pension account of the member; and

- 36.6 the payments of the income stream must be made at least annually; and
- 36.7 the income stream must not be able to be transferred to any person unless the person is a reversionary beneficiary or the Superannuation Law permits; and
- 36.8 The capital value of the income stream and the income from the income stream must not be used as security for any borrowings unless the Superannuation Law permits

Other provisions relating to payment of pensions

When do these Rules apply?

- 37. These rules shall apply in the case of benefits being paid in the form of an income stream and shall be complimentary to all other rules.

What Payment of Pension can be paid upon a member becoming disabled?

- 38. In the event of a Member ceasing to be gainfully employed on account of permanent disablement the Trustee may pay or cause to be paid to the Member an income stream in such manner as shall be agreed between the Member and the Trustee having regard to the requirements of the Superannuation Law which must not be larger or smaller than the income stream that would have been payable to the Member had he or she ceased to be in gainful employment by reason of attaining normal retirement age PROVIDED HOWEVER THAT the Trustee shall not be obliged to pay an income stream or installment thereof if the payment would exceed the balance of the Member's account.

How does a Transfer Value Determine Benefits?

- 39. Notwithstanding anything stated to the contrary in these Rules, the capital value of any pension payable to or in respect of a Member must not be less than its Transfer Value together with interest thereon from the date of receipt into the Fund to the date the Member ceases to be a Member at such rate or rates as the Trustee shall in the absolute discretion of the Trustee determine having regard to the earning rate of the Fund.

When do pensions become payable?

- 40. Subject to the Superannuation Law an income stream may commence on the day following the day when the Member (or other person) becomes entitled at Law to the income stream. Income streams accrue from day to day.

May the Trustee Approve Commutation?

- 46. Following the request of a Member or pensioner, the Trustee may, subject to the Superannuation Law after exercising an absolute discretion, vary the benefits and entitlements of a Member from time to time and may commute to a lump sum benefit such proportion as shall be permitted by the Superannuation Law of any income stream payable from the Fund.

May the Trustee split payment of pensions?

- 42. The Trustee must upon being notified of a relevant binding agreement made under the provisions of the Family Law Legislation Amendment (Superannuation) Act or a relevant Court order "split" the payment of any income stream between a Member and a Member's spouse (or other permitted

person) in such manner and in such proportions as may be permitted from time to time by the Superannuation Law. The Trustee must take such action to give effect to the "split" as the regulations require including the payment of a lump sum to the spouse or ex-spouse and the recommencing of pension payments.

May the Trustee split payment of pensions between spouses?

43. If upon the death of a Member there is more than one spouse of a Member the Trustee may determine whether or not all or some of the spouses are entitled to benefit and if so in what proportions each spouse is entitled to benefit.

General Provisions concerning Payment of Benefits

What are the Conditions for payment of benefits?

44. A Member's entitlement to benefits may be paid or commenced to be paid if:-
- 44.1 the Member has attained the age at which payment is permitted by the Superannuation Law; or
 - 44.2 the Member has died; or
 - 44.3 the Member has retired permanently from gainful employment by reason of total and permanent incapacity or permanent invalidity or permanent disability; or
 - 44.4 the Member has a temporary incapacity such that the Superannuation Law permits a payment to be made; or
 - 44.5 the Member has a terminal medical condition; or
 - 44.6 the Member has attained an age that requires the payment ; or
 - 44.7 the Member has left the service of an Employer or ceased to be gainfully employed in other circumstances that may allow the payment; or
 - 44.8 the Member has severe financial hardship; or
 - 44.9 the Member has demonstrated compassionate grounds for the payment; or
 - 44.10 the Member has met some other criteria which permits or requires payment.

What payments are to be made to Dependants?

- 45 Any amount whether that be the payment of a new or reversionary income stream or installment thereof or a lump sump which becomes payable by reason of the death of a Member shall at the option of the Trustee be paid to or for the benefit of the Dependants of that Member or such one or more of them and to the exclusion of the other or others of them and in such proportions and such manner as the Trustee in the Trustee's absolute discretion shall determine taking into account the balance of the members account and the provisions of the Superannuation Law
- 46 Where any Dependant to whom such benefit is paid is an infant or under a disability the payment may be made in Trust to the person appearing to the Trustee to be the Guardian, Administrator, person who has the control and

management of the persons affairs under the Laws relating to disability or the person having the actual custody or control of such person or disabled person or to the person with whom such person will permanently reside or to such other person or institution (subject to such directions as to the manner in which the payment is to be applied) for the benefit of the person as the Trustee shall determine. The receipt of such person or the appropriate official of such institution shall be a good and sufficient discharge to the Trustee for any monies so paid and the Trustee shall not be bound to see to the application thereof nor to the carrying out of directions. A payment may be paid to the Legal Personal Representative or Representatives of a Member.

- 47 Payment of an income stream may be made to a dependant child of a deceased member if:-
- 47.1.1 the child is under the age of 18 years or;
 - 47.1.2 the child is over the age of 18 years and under the age of 25 years but is financially dependant on the deceased member;
 - 47.1.3 the child has a disability under the provisions of the Disability Services Act 1986
- 48 Upon a child ceasing to satisfy the conditions of payment in the above rule then the Trustee must commute the income stream to a lump sum payment.
- 49 The Trustee may increase the amount of any death benefit that is not an Eligible Termination Payment to the amount that would have been available to be paid if taxable contributions had not been included in the assessable income of the Fund and generally take advantage of the provisions of section 279D of the Act.

Must the Trustee Give Effect to Election?

- 50 The Trustee in making a determination to pay a benefit or benefits to a Dependant of a Member or where there is no Dependant to another person must take account of and give full effect to any election, direction, agreement or nomination that may have been made by a Member in writing to the Trustee prior to the date of the determination by the Trustee. If the Superannuation Law so permits such an election, direction, agreement or nomination may be made in writing at any time during the Member's lifetime or by Will or some other testamentary documentation and may take the form of a Binding or Non Binding Nomination or a Death Benefit Agreement.
- 51 If a Member wishes to give the Trustee a form of Binding Death Nomination then:-
- 51.2.1 upon being requested so to do by a Member the Trustee must give to the Member such information as the Trustee reasonably believes the Member need for the purpose of understanding the right of the Member to make the nomination; and
 - 51.2.2 the notice must be in writing; and
 - 51.2.3 the notice must state the persons who are to benefit upon the death of the Member; and
 - 51.2.4 the persons to benefit must be the legal personal representative or a dependant of the Member; and

- 51.2.5 the notice must state the proportion of the benefit that is to be paid to the person or each of the persons; and
 - 51.2.6 the notice must be signed and dated by the Member in the presence of two witnesses each of whom are 18 years or older and neither of whom are mentioned in the notice; and
 - 51.2.7 the notice must contain a declaration signed and dated by the witnesses stating that the notice was signed by the Member in their presence; and
 - 51.2.8 the notice shall cease to bind the Trustee at the expiration of the time (if any) required by the Superannuation Law; and
 - 51.2.9 the notice does not bind the Trustee if the Trustee is aware of the existence of a court order restraining or prohibiting the Member from giving the notice, requiring the Member to amend the notice, or restraining or prohibiting the Trustee from acting on the notice.
- 52 If a Member wishes to enter into a Death Benefit Agreement then the Member and the Trustees must enter into the agreement in writing and comply with the Superannuation Law so as to give as much effect as possible to the agreement.

May the Trustee require a Medical Certificate?

53. Any Member seeking payment of benefits from the Fund on his or her retirement from the work force on the ground of permanent incapacity or permanent invalidity must provide to the Trustee a Certificate, signed by two registered Medical Practitioners certifying that in the opinion of those Medical Practitioners the Member is unlikely to ever be able to work again in a job for which the Member is reasonably qualified by education training or experience.

What must happen if a Member ceases to be employed but is not entitled to benefits?

54. If a Member ceases to be in gainful employment in circumstances which do not entitle him or her to a benefit then the Trustee must:-
- 54.1 retain in the Fund all of the benefits to which such Member is entitled upon withdrawal and which are required to be preserved and retain the same for the benefit of the Member until the Member satisfies any requirement of these Rules or the Superannuation Law permitting payment; or
 - 54.2 transfer all of the benefits to which the Member is entitled on such withdrawal and that are required to be preserved to another Superannuation Fund nominated by the Member being a Superannuation Fund of which the Member is or intends to become a Member and that is required to preserve any benefits so transferred in accordance with the Superannuation Law; or
 - 54.3 an approved deposit Fund nominated by the Member being a Fund that is required to preserve any benefits so transferred in accordance with the standards in the Superannuation Law; or

- 54.4 such other Fund as may be authorised by the Superannuation Law; or
- 54.5 pay to the Member such portion of the benefits that are unrestricted, non-preserved benefits as defined in the Superannuation Law by paying the same in one or more lump sum payments, one or more pensions that comply with the Superannuation Law for the purchase of one or more annuities in the form of an income stream, provided by a Life Insurance Company, Friendly Society or a Registered Organization in accordance with the Superannuation Law.

How are benefits paid on the death of a Member leaving no Dependants?

- 55. Subject to rules 50 and 51 following the death of a Member not leaving any Dependants, the Trustee must pay or apply any balance of the Member's account to his or her Legal Personal Representative, or if there is no Legal Personal Representative, to such relatives of the deceased Member as appear to the Trustee to be entitled under the Laws of Intestacy to share in his or her estate, provided that if there be no Legal Personal representative or relative, any balance of the Member's account shall be absolutely forfeited and shall remain subject to the Superannuation Law in the Fund for the benefit of the remaining Members and beneficiaries or be paid to the Regulator or the appropriate receiver of unclaimed monies in accordance with any requirement of the Superannuation Law

Can benefits be paid "in Specie"?

- 56. If the Trustee and the person receiving a benefit so agree and provided the same shall not offend against the Superannuation Law, the Trustee may pay benefits by transferring assets of the Fund to the recipient without converting them into cash. The assets may be real or personal and the value attributable to such assets shall be determined by the Trustee after exercising a reasonable discretion and taking reasonable advice from an appropriately qualified valuer, but shall be equal in value to the amount of benefit being paid to the recipient at the date of payment or provision of the benefit. The Trustee has all the necessary powers to pay benefits in this manner including the power to select the particular asset for transfer.

Can lump sum benefits be converted?

- 57. Benefits payable in the form of a lump sum may be converted to an income stream (pension), and benefits payable in the form of an income stream may be converted to a lump sum to the extent permitted by the Superannuation Law

Can the Trustee proportion benefit payments?

- 58. Any tax payable on benefits payable from the Fund may be proportioned between the taxable and tax free component of the payment.
 - 58.1 the Trustee must when determining the proportionate Tax to be deducted from the payment determine the amount of value of the payment and the amount of the taxable and tax free components :-
 - 58.1.1 if the payment is an income stream when the income stream commenced to be paid; and

- 58.1.2 if the payment is a lump sum payment immediately before the payment is made; and
- 58.1.3 if the payment of the benefit arises from the commutation of an income stream when the relevant income stream commenced.
- 58.2 any proportioning is subject to the provisions of the Superannuation Law and the Tax Act.

Limitation on proportioning

- 59. No proportioning may be made in the case of a superannuation guarantee payment, a superannuation co-contribution benefit payment, or a contributions splitting superannuation benefit.

LIMITATION ON BENEFITS

Can a payment be made if it breaches the Superannuation Law?

- 60. No payment may be made unless it is permitted by the Superannuation Law.

MEMBER NOT TO DEAL WITH BENEFIT

Can a Member deal with interest?

- 61. A Member must not charge or otherwise deal with his or her interest in the Fund or any of its investments.

What must happen if a Member deals with interest in Fund?

- 62. If a Member charges or otherwise attempts to deal with his or her interest in the Fund or becomes Bankrupt or commits an act of Bankruptcy or has his or her affairs made the subject of the Bankruptcy Law, then his or her interest in the Fund shall, subject to the provisions of the Superannuation Law cease and the Trustee may at any time pay or apply a benefit not exceeding the interest of the Member to such one or more of the Member or Member's Dependants to the exclusion of the others or other of them as the Trustee shall in the Trustee's absolute discretion determine **PROVIDED HOWEVER THAT** no benefit shall be paid to or in respect of a Member whilst the Member remains in gainful employment and is under the age at which a benefit may be legally paid and any balance not so applied by the Trustee must be applied in such manner as may be permitted by the Superannuation Law.

VESTING OF BENEFITS

When must benefits vest in a Member?

- 63. Subject to any overriding requirement in the Superannuation Law or Law effecting the administration of a Superannuation Fund, the total amount of Member financed benefits accruing to a Member from the date upon which this Fund is established shall vest in the individual Member on the day upon which the benefit or benefits accrue.