

# FACT SHEET

## CHANGING FROM WAGES TO SALARY

### Applicable only to members employed by Fonterra

If you are not employed by Fonterra, different conditions may apply. Contact Payroll/HR for details.

If you are a member of the Dairy Industry Superannuation Scheme (Dairy scheme) and your employment contract changes from wages to salary, (that is, you are paid on a total remuneration basis) your membership of the Dairy scheme will continue but as an elective member.

As an elective member:

- unless you contribute to a Locked In Account you will no longer be entitled to an employer subsidy (because your salary includes a superannuation allowance);
- if you contribute 3% of your salary to a Locked In Account, your employer will match your contributions<sup>1</sup>;
- if you are covered for the insured benefits and continue to make member contributions, your insurance cover will continue. See page 13 of the Dairy scheme booklet for details of the cover;
- to keep your insurance cover at the maximum level, you still need to contribute 6% of your salary;
- if you contribute 3% of your salary to your Member's Account and 3% to your Locked In Account (i.e. a total of 6% of your salary) you will qualify for the maximum level of insurance cover and the matching employer contribution to your Locked In Account<sup>1</sup>;
- if you stop making member contributions, your insurance cover will cease<sup>2</sup>;
- no benefit will be payable until you stop working for an employer that participates in the Scheme. (See the directory page of the investment statement for a list of the current participating employers.)
- should you resign before your 55<sup>th</sup> birthday, the current balance in your Employer's No.1 Account will be subject to vesting, which means you will be entitled to 20% of the balance for each year of Scheme membership, up to a maximum of 100% after five or more years' membership;
- any employer contributions made by salary sacrifice (that is, exchanged for a percentage of your before-tax salary) will be payable in full should you resign.

<sup>1</sup>unless your employer is already contributing to a KiwiSaver scheme on your behalf.

<sup>2</sup> [Click here](#) to see the Scheme's insurance fact sheet which explains the terms and conditions that apply to insurance cover if you restart your contributions.

### What do I need to do next?

1. If you have not done so already, complete a Dairy scheme 'Change membership basis' form (D11) and return it to Payroll/Human Resources.

Current as at May 2016