

ANSWERS TO SOME FREQUENTLY ASKED QUESTIONS ABOUT LOCKED-IN ACCOUNTS



Unless you joined the Scheme before July 2007, the application form you completed when you joined the Scheme included an option to contribute to a Locked-In Account with the remainder, if any, going to a Standard Account.

Q.1 What's the difference between Locked-In and Standard Accounts?

Locked-In Accounts operate in a similar way to KiwiSaver scheme accounts. Member and employer contribution rates are the same (3% from you and 3%, less tax, from your employer) and provided you are eligible, a Crown contribution (referred to as Government contributions) of up to \$521.43 a year.

When you leave your employer, you will receive your benefit from your Standard Accounts as a cash lump sum. However, like KiwiSaver, access to the balances in your Locked-In Accounts is generally restricted to the later of the date of your 65th birthday or the date you complete five years' membership of the Scheme¹ or a KiwiSaver scheme. Any Locked-In Account balances you are not eligible to withdraw must be transferred to another complying superannuation fund or to a KiwiSaver scheme.

Q.2 How do I know if I have Locked-In Accounts?

Sign in to the Scheme website, www.dairysuper.superfacts.co.nz and select *Account summary*, or refer to the table on the first page of your latest annual report and benefit statement (available from the website or from the Scheme helpline 0800 355 900).

Q.3 How can I tell whether I'm currently making locked-in contributions?

Sign in to www.dairysuper.superfacts.co.nz and select the *Contributions* tab or call the Scheme helpline 0800 355 900.

Q.4 What are the advantages of making locked-in contributions?

Provided you meet the [eligibility criteria](#), each year you will qualify for member tax credits of 50 cents for each dollar you contribute to your Locked-In (Complying Fund) Account up to a maximum of \$521.43 p.a.

If you have been contributing to the Scheme¹ or a KiwiSaver scheme for at least three years and you are buying your first home, you may be able to withdraw up to a maximum of your resignation benefit and your Locked-In Account balances, provided you leave a balance of at least \$1,000 in the Scheme. For more information about home withdrawals, refer to [FAQs Home Withdrawal.pdf](#)

Q.5 What restrictions apply to withdrawals from Locked-In Accounts?

Generally, you cannot withdraw money from your Locked-In Accounts until the date of your 65th birthday or, if you started making locked-in contributions on or after age 60, the date you complete five years' membership of a complying superannuation fund or KiwiSaver scheme.

As mentioned previously, you may be able to make an earlier withdrawal if you are buying a first home or you are suffering or are likely to suffer, significant financial hardship. [Click here](#) for information about significant financial hardship withdrawals.

¹ or another complying superannuation fund

Q.6 How can I start making locked-in contributions?

To start making locked-in contributions, complete and return form [D12A](#) (if you are a subsidised member) and form [D12B](#) (if you are an elective member).

Q.7 How can I stop making locked-in contributions?

To stop contributing to your Locked-In Account you need to apply for a contributions holiday. Your contributions holiday must be for a minimum of three months and a maximum of five years, although contributions holidays may be taken successively. To apply for a contributions holiday, complete and return form [D12A](#) (if you are a subsidised member) and form [D12B](#) (if you are an elective member).

Q.8 Is there anything else I should know about Locked-In Accounts?

On 31 July 2020 the death benefit payment process is changing. To date, the Scheme's Trust Deed has required that when you die, your death benefit (other than any locked-in balance, which must be paid to your estate) is payable at the Trustee Directors' discretion to all or any of your nominated beneficiaries, or your estate, or any person to whom we consider you owed a legal or moral obligation of support.

This change impacts members in the following ways:

Existing members (those who have joined the Scheme before 31 July 2020) will continue with the current death benefit arrangements until the new policy comes into full effect on 31 January 2021. Those members can continue adding or removing nominated beneficiaries (by notifying the Trustee in writing) up until 31 January 2021. Please continue to use the D4 Nomination of beneficiary form, available by request from dairy@mercer.com.

New members who join the Scheme on or after 1 August 2020 will have any death benefit paid automatically to their personal representatives.

After 1 February 2021 all members' death benefits will be paid automatically to their personal representatives.

Summary

The following table summarises the differences between Locked-In Accounts and Standard Accounts.

| | Locked-In Accounts | Standard Accounts |
|--|--------------------|-------------------|
| Qualify for Government Contributions ² | ✓ | ✗ |
| Locked in until later of age 65 or on completion of 5 years' membership of a complying superannuation fund or KiwiSaver scheme | ✓ | ✗ |
| Payable on leaving service at any age ³ | ✗ | ✓ |
| Available for the purchase of a home ⁴ | ✓ | ✓ |
| Accessible for a significant financial hardship withdrawal | ✓ | ✓ |
| Death benefit payable (at the Trustee's discretion) to your nominated beneficiaries (before 31 January 2021) | ✗ | ✓ |
| Death benefit payable to your personal representatives (after 1 February 2021) | ✓ | ✓ |

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² Subject to meeting qualifying criteria

³ Subject to vesting for members with less than 5 years' Scheme membership

⁴ Subject to you leaving a minimum balance of \$1,000 in your Locked-In Account