

FACT SHEET

ELECTIVE MEMBERSHIP – SWITCHING FROM WAGES TO SALARY

Applicable only to members employed by Fonterra

If you are employed by a company other than Fonterra, different conditions may apply. Contact Payroll or Human Resources for details.

If you are a member of the Dairy Industry Superannuation Scheme (**Scheme**) and your employment contract changes from wages to salary (meaning you are paid on a total remuneration basis), your membership in the Scheme will continue, but you will become an **elective member**. An elective member is an individual whose salary includes superannuation as part of their total pay package. You will be classified as an elective member when you join the Scheme with a total remuneration pay package or start being paid on that basis later on.

Please note, your employer can decide to withdraw your elective member status at any time.

As an elective member:

- You will no longer be eligible for an employer subsidy unless you contribute to a Locked-In Account, because your salary includes a superannuation allowance;
- If you contribute 3% of your salary to a Locked-In Account, your employer will match your contributions¹;
- If you are covered for the insured benefits and continue to make member contributions, your insurance cover will continue. For details, please refer to page 17 of the [Member Information Booklet](#);
- To maintain your insurance cover at the maximum level, you must continue to make member contributions of 6% of your salary. This is in addition to any contributions you might make through salary sacrifice;
- If you contribute a total of 6% of your salary – 3% to your Member's Account and 3% to your Locked-In Account, you will qualify for the maximum level of insurance cover and receive matching employer contributions to your Locked In Account¹;
- You won't receive any benefits until you leave your job with a participating employer in the Scheme. For a list of current participating employers, please refer to the [About DISS](#) page under the *About* tab on the Scheme website;
- If you resign before you turn 55, the balance in your Employer's No. 1 Account will be subject to vesting. This means you will be entitled to 20% of the balance for each year you have been a member of the Scheme, up to a full 100% after five or more years of 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.

What do I need to do next?

If you need to change your membership type – that is switching from a subsidised member to an elective member or vice versa – and have not already done so, please complete the form D11 '[Change membership basis](#)' and return it to Payroll or Human Resources.

¹ Unless your employer is already contributing to a KiwiSaver scheme on your behalf.