



dairy industry
superannuation scheme



Make the most of your membership

How to make the most of your membership in
the Dairy Industry Superannuation Scheme

**‘A mua ake’
For the future**

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Recommended read

The issuer of the Scheme is Dairy Industry Superannuation Scheme Trustee Limited. The Product Disclosure Statement for the offer of membership in the Scheme is available from the Scheme website www.dairysuper.co.nz, the Helpline 0800 355 900 or Human Resources/ Payroll.



Your Scheme at a glance

- ✓ Specifically designed for dairy industry employees
- ✓ Generous employer contribution (employee members only)
- ✓ Insurance cover for death and permanent incapacity
- ✓ Choice of seven different investment options
- ✓ Competitive long-term returns
- ✓ Secure online access 24/7 to your account
- ✓ Toll free Helpline

Purpose of this guide

This guide is designed to help you understand the benefits of the Scheme and is not intended to be financial advice. Before making financial or investment decisions, it is recommended that you speak with a financial adviser.

Every care has been taken with the information provided in this guide. However, if there is any discrepancy between this guide and the Trust Deed, the Trust Deed will be the final authority.

Background

Established by the New Zealand Dairy Board in 1952 solely for dairy industry employees, the Scheme is one of the oldest and largest employer-sponsored restricted workplace savings schemes in New Zealand. Until 1990, it operated as a pension scheme, and there are still some members (or their spouses) who receive a pension from the Scheme.

The Scheme is now a defined contribution scheme, which means it provides benefits based on contributions (member and employer, if applicable), and investment earnings on those contributions less tax and expenses (referred to as 'credited interest' in this booklet).

Overall management of the Scheme is carried out by a company, Dairy Industry Superannuation Scheme Trustee Limited (the Trustee). Currently, four directors of the Trustee are appointed on the recommendation of the employers and three are member representatives. Three of the directors appointed by the employers are independent. One of the employer-appointed directors is also the Scheme's licensed independent trustee.

Throughout this document, "**we**", "**our**" or "**us**" means the Scheme's Trustee, Dairy Industry Superannuation Scheme Trustee Limited.

Before you join

Look at your investment options (and then choose)

The Scheme offers a choice of four main investment funds: Cash, Conservative, Balanced and Growth. If none of the fund options suit, you can choose a 50/50 split between adjacent funds (referred to as multi-fund options). Read the relevant sections of this guide, and the Scheme's Product Disclosure Statement for more information.

Work out your savings goals and plan (long-term or short-term?)

If you need help, visit sorted.org.nz/tools/goal-planner. Write down your goals and set yourself a reminder to review them every six months or yearly. Understanding how long you're intending to stay in the Scheme can help you refine your savings strategy. Where do you want to be in 5, 10, or 20 years?

Speak with a financial adviser

Only financial advisers can give financial advice about the Scheme. This includes advice such as which investment option to choose. The Financial Markets Authority (FMA) regulates financial advisers. To find an adviser in your area, go to www.fma.govt.nz/investors/getting-financial-advice/.

What type of member are you?

The Scheme has two membership categories. If, like most members, you are covered under a collective employment agreement, you will be an employee member; otherwise you will be an elective member.

Call the Scheme Helpline

For questions about the Scheme, please feel welcome to contact the Scheme Helpline on 0800 355 900.

Once you've joined

Access your online account

Sign in to the Scheme website at www.dairysuper.co.nz (you will need your email address and password) to find out how much you have saved.

Check you've got the Scheme's insurance cover

The Scheme offers members death and permanent incapacity insurance. To check if you have insurance cover, sign in to the Scheme website and your insurance cover should be displayed on the right-hand side of your dashboard. More information is available from Helpline or read the [Insurance Cover Fact Sheet](#) on the Scheme website.

Compare our returns with other schemes

Go to the Scheme website and click on 'Documents' and then 'Annual reports'. Visit the investment performance review section and refer to the 'Fund returns vs KiwiSaver' graph.

Select your communications preference

Log in to your online account, update your contact details and choose how you prefer to receive information about your savings - email or post.

1. Welcome to your Scheme



For over 70 years, the Dairy Industry Superannuation Scheme has been helping employees in the dairy industry save for their future retirement. Over this time, the Scheme has developed so that it remains beneficial and relevant for all members, meeting their changing needs and helping them achieve a more financially comfortable retirement.

Members are offered a choice of investment options and various contribution rates, supported by generous employer contributions if you are an employee member. Additional financial assurance is available for members and their loved ones in the form of death and permanent incapacity insurance cover. As a complying superannuation fund, the Scheme provides members with the option of directing contributions to a KiwiSaver-style (locked-in) account, so that they become eligible to receive Government contributions.

Becoming a member of a scheme such as ours is a big step towards achieving your retirement savings goals. Please take a moment to consider your savings options and goals, while taking time to learn about our Scheme.

There are a number of online tools available to help you plan for a financially secure future. [Sorted.org.nz](https://sorted.org.nz) has a number of free resources available to help you plan for your retirement, set budgets, and find an investment option that fits with your objectives and risk tolerance. Speaking with a financial adviser is another good way to effectively plan for your future. A list of financial advisers is published on the FMA website at www.fma.govt.nz.

This booklet contains useful information about the Dairy Industry Superannuation Scheme, a savings initiative that is exclusively offered to those working in the dairy industry. You can find more information about our Scheme online at www.dairysuper.co.nz. Joining is easy – simply complete the application form available in the Product Disclosure Statement.

We look forward to welcoming you to the Scheme, and helping you achieve a financially comfortable future.

Miles Hurrell
Chief Executive
Fonterra Co-operative Group Limited



The New Zealand Dairy Workers Union – Te Runanga Waiū is very proud to have negotiated into your collective employment agreement your guaranteed access to the Dairy Industry Superannuation Scheme.

The Dairy Workers Union has always focused on the importance of retirement savings to provide financial security during the retirement years. We take considerable pride in our association with, and involvement in, the Dairy Industry Superannuation Scheme.

This Scheme is a leader in retirement savings in Aotearoa New Zealand and provides you with the following financial support:

- › If you are an employee member and contribute the maximum of 6% of your salary, your employer will contribute 9%. This means that for every dollar you contribute, your employer will contribute \$1.50 (before tax).
- › Death and permanent incapacity insurance cover of 50 times your annual contribution rate (up to a maximum of 6% of your salary). If you contribute the maximum 6% of your salary, the insured benefit will be three times your salary (subject to the insurer accepting your claim).
- › Insurance cover is generally automatic if you join the Scheme within six months of your employment start date (after six months you will need to fill in a medical questionnaire and may have your insurance cover reduced).

Workers in the dairy industry have a direct say in the operation of the Scheme through the appointment of a director on the Board of the Scheme's Trustee.

With a long history since being established in 1952, and over \$945 million in funds, the vast majority of dairy industry workers are members of the Scheme.

When making choices about your financial security in your retirement, the Dairy Workers Union strongly advises you to take the opportunity of joining the Dairy Industry Superannuation Scheme.

Chris Flatt
National Secretary
New Zealand Dairy Workers Union

2. Reasons to join

The Dairy Industry Superannuation Scheme has some great benefits to help dairy industry employees save for their retirement.



Generous employer contribution

There are different rates for different member categories. For employee members, your employer contributes 1.5 times your contributions up to 9% of your salary. For elective members, your employer does not contribute other than to make compulsory locked-in contributions. You can also agree with your employer to exchange a percentage of your salary for employer contributions to the Scheme. This is referred to as '**salary sacrifice**'. If you don't agree on a salary sacrifice contribution rate with your employer, employer contributions of 4.5% of your salary will be deducted.



Insurance cover for death and permanent incapacity

Members who join the Scheme within the first six months of starting with your employer, and are at work performing your normal duties on the date you joined the Scheme, will generally be accepted for cover automatically without having to provide additional information. It is important to mention that cover for members is determined by the level of regular contributions they make. Therefore, members must continue to contribute in order to obtain and maintain their cover. The insurer may also at its discretion, and in agreement with the Trustee, provide insurance cover to certain members who joined the Scheme after their first six months of employment. Refer to the [Insurance Cover Fact Sheet](#) on the Scheme website for more information.



Choice of seven different investment options

The Scheme offers you a choice of four main investment funds: Cash, Conservative, Balanced and Growth. If none of the options suit, you can choose a 50/50 split between adjacent funds (referred to as multi-fund options).



Competitive long-term returns

It's important to know how the Scheme's performance compares with other similar investments. Each year we publish the Scheme returns compared to the median (middle) return for KiwiSaver schemes with a similar mix of assets in the annual report. Download a copy of the latest annual report from the '[Documents](#)' page of the Scheme website, and view these return comparisons under the 'Investment performance review' section.



Secure online access to your account 24/7

Access your account online at any time by logging in with your email address and password. Create or reset your password online with your member number, an email address (that is registered in our system) and your date of birth.



Toll free Helpline

Your Helpline team are available to assist you with any questions you may have about the Scheme, your membership, or can help direct your query to the right place. The team are available Monday to Friday, 9am to 7pm, on 0800 355 900 (except national public holidays).



KiwiSaver and the Scheme

You can choose to be a member of both the Dairy Industry Superannuation Scheme and a KiwiSaver scheme. If you are contributing to a KiwiSaver scheme as well as the Scheme, different rules may apply to your employer's contributions to the Scheme. Refer to the [Employer contributions and KiwiSaver fact sheet](#) on the Scheme website for details.

Specifically designed for dairy industry employees

The Scheme is exclusively available to dairy industry employees. It has been operating since November 1952, and includes 15 participating employers.

3. Scheme basics

Grow your retirement savings with the Scheme

Your savings grow from your contributions, employer contributions (if applicable), plus credited interest.

Your Scheme accounts

When you join the Scheme, **two separate accounts are opened in your name**, each with a sub-account if you choose to make locked-in contributions.

Contributions are paid into these accounts, and your benefit from the Scheme (other than the insured benefits) is based on the balances in these accounts. The table below shows how the accounts work.

Member's Account	Employer's No.1 Account
Your contributions (including any voluntary contributions)	Your employer contributions less tax (including any salary sacrifice contributions by elective members)
Transfers into the Scheme not required to be locked in	Transfers into the Scheme not required to be locked in
Locked-In Account (optional)	Locked-In Account (optional)
Your locked-in contributions	Employer's locked-in contributions
Government contributions	
Transfers into the Scheme required to be locked in	Transfers into the Scheme required to be locked in
Credited interest	Credited interest

Contributions

Your contributions and your employer's contributions vary depending on your membership category.

You are:

- › an **employee member** if you are covered under a collective employment agreement, and
- › an **elective member** if your salary includes a superannuation allowance, that is, you are paid on a totally remunerated basis.

Member contributions

All members

You can choose to contribute 2%, 3%, 4%, 5% or 6% of your before-tax salary. Elective members can agree any amount with their employer.



Your contribution rate affects other things

The contribution rate you choose affects both your employer's contribution on your behalf (if applicable) and your insurance cover.

Employer contributions

Employee members

Your employer contributes 1.5 times your contribution. The following table shows how this works:

If you contribute (% of salary)	Before tax, your employer will contribute (% of salary)
2%	3.0%
3%	4.5%
4%	6.0%
5%	7.5%
6%	9.0%

Elective members

If you are an elective member, your employer does not contribute other than to make compulsory locked-in contributions. You can also agree with your employer to exchange a percentage of your salary for employer contributions to the Scheme. This is referred to as '**salary sacrifice**'. If you don't agree on a salary sacrifice contribution rate with your employer, employer contributions of 4.5% of your salary will be deducted.

Making KiwiSaver-style 'locked-in' contributions

In the same way that KiwiSaver contributions are locked in, you can choose to 'lock in' member and employer contributions of 3% of your salary to Locked-In Accounts in the Scheme. If you qualify, each year you will receive Government contributions of 50 cents for every dollar you contribute to your Locked-In Account, up to a maximum of \$521 a year.

If you are making locked-in contributions to the Scheme and to another scheme, any Government contributions will be paid to the first to apply, not both.

Access to the balances in your Locked-In Accounts is generally restricted until the date you qualify for NZ Super (currently age 65). Under certain very limited circumstances you may access your Locked-In Accounts earlier – refer to page 18 for further information.

KiwiSaver and the Scheme

You can choose to be a member of both the Scheme and a KiwiSaver scheme. If you are contributing to a KiwiSaver scheme as well as the Scheme, different rules may apply to your employer's contributions to the Scheme. Refer to the [Employer contributions](#) and [KiwiSaver fact sheet](#) on the Scheme website for details.

Tax on employer contributions

Tax is deducted from your employer's contribution before it is paid into the Scheme. The tax rate varies, depending on your salary and employer contributions in the previous tax year (or an estimate if you have worked for less than a year). Refer to page 19 for details of the tax rates.

Changing or stopping your contributions

You can change or stop your contributions at any time by completing and returning a *Change, suspend or cease contributions form (D12A – employee members)* and *D12B – elective members*. If you are making locked-in contributions, you will need to take a savings suspension. Think about it carefully because changing your contribution rate or stopping contributions affects your insurance cover and any employer contributions.

Credited interest

Once the financial statements for the year have been completed, we declare the credited interest rate to be allocated to your account balances. During the year, an interim interest rate is declared each month and applied to your account balances on a daily basis. If you leave the Scheme or change investment options, the most recently available interim interest rate is used.

Depending on movements in investment markets, interest applied to your accounts may be positive, nil or negative.

The latest interest rates are available on the [Scheme website](#) and in Scheme newsletters.

4. Investing your savings

Investment choice

An important part of building up your retirement savings is where the money is invested and the returns achieved. The Scheme offers a choice of four investment funds and three combinations of adjacent funds, giving you a total of seven different investment options to choose from.

Each investment option has a different mix of assets. The proportion of each asset class your account balances are invested in will depend on the investment option you choose. The assets the Scheme invests in are shown in the diagram to the right.

Before you make any decisions about an investment option, please read the following. If you need more help, contact a financial adviser.

Investment basics

The savings in each investment fund are invested in **assets**. Assets are divided into two broad categories, **growth** assets and **income** assets. Each investment fund (other than the Cash fund) has a mix of the two categories.

Returns from growth assets:

- › tend to be higher than income assets over the longer term
- BUT**
- › can vary significantly from one year to the next (called volatility), and
 - › have a higher risk of negative returns (your account balances reducing) in some years.

If you are a long-term investor, an option with more growth assets may be more suitable because there is time for any short-term negative returns to be balanced out against positive returns.

Returns from income assets:

- › tend to be more stable than growth assets, and
 - › have less risk of a negative return
- BUT**
- › are generally lower over the longer term, and
 - › may not keep up with inflation (reducing the spending power of your savings).

If you are investing for a shorter time, income assets may be more suitable as returns tend to be more stable and there is less risk of your account balances reducing in the short-term.

Each investment fund has a different level of expected risk and return. Risk refers to the likelihood of the investment losing value as investment markets change, or the return on your investment not keeping up with inflation. Return is the amount you earn from your investment. Refer to section 3 of the Product Disclosure Statement for more information about the expected rates of risk and return for each investment option.

Depending on the investment option you choose, your account balances will be invested in some or all of the following:



Investing in a variety of asset classes reduces the risk of a low or negative return because one asset class does not meet its expected level of return.



Now think about the following:

When are you likely to need your retirement savings?

This is one of the critical issues. You may have many years to invest your savings or you could need to start living off them in the next few years. However, as far as possible, you should take a long-term view.

Consider the cost of living

When you consider investment returns, you need to take inflation (the cost of living) into account. For example, if your savings earned 3% per year after tax, and the cost of living increased by more than 3% per year, at the end of the year your investment would be worth less in terms of your purchasing power.

Your plans for your retirement

We all have different ideas and expectations for our retirement. You may plan to travel and/or take up a new hobby, while others may be happy enjoying their garden and grandchildren.

Your feelings about investing

Everyone reacts differently when returns go up and down. You could be happy to accept an increased risk of a negative return in the short-term in exchange for potentially better long-term returns. Alternatively, you may prefer to accept the likelihood of more modest returns over the longer term in exchange for the comfort of a reduced risk of a negative return.

Your personal financial circumstances

The option that suits you will also depend on your personal circumstances. For example, other investments you have and anyone who is likely to be financially dependent on you when you retire.

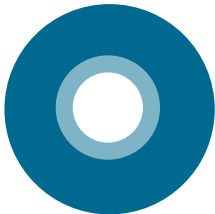
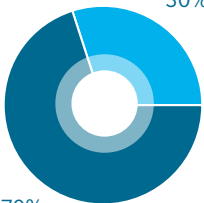
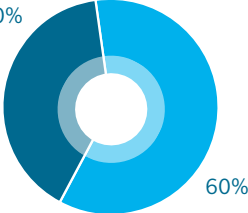
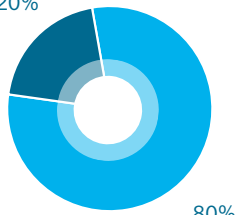
If you're still unsure about the investment option that's right for you, we suggest you contact a financial adviser.

Investment choice

The Scheme offers a choice of four main investment funds: Cash, Conservative, Balanced and Growth.

If none of the fund options suit, you can choose a 50/50 split between adjacent funds (referred to as multi-fund options), that is:

50% Cash/50% Conservative, 50% Conservative/50% Balanced or 50% Balanced/50% Growth. All of these are referred to as the multi-fund options. The table below shows how the Scheme's four main investment funds are invested. You can also see the actual and target asset investment mix for each investment option published in the fund updates at www.dairysuper.co.nz (click 'Documents' and the 'Fund information' tab).

Growth/income [^] split			
		Guide to likely long-term returns (objective)	Level of risk
Cash	 <p>100%</p>	Achieve returns, before tax and fees, similar to the return on NZ 90-Day Bank Bills	Very low risk of negative returns but has historically earned the lowest returns over the long-term
Conservative	 <p>70% 30%</p>	Achieve returns (after tax, investment-related fees and inflation*) of 1.00% per annum over rolling 5 year averages	Reduced risk of loss but likely to provide a lower return over the long-term
Balanced	 <p>40% 60%</p>	Achieve returns (after tax, investment-related fees and inflation*) of 2.0% per annum over rolling 10 year averages	Reasonable returns (but lower than the Growth fund) to reduce the risk of losses in bad years
Growth	 <p>20% 80%</p>	Achieve returns (after tax, investment-related fees and inflation*) of 2.75% per annum over rolling 15 year averages	Higher returns expected over the long-term so risks higher losses in bad years

Mix of income and growth assets

- Income
- Growth

* as measured by the increase in the Consumers Price Index (CPI)

[^] growth and income assets are discussed on page 10.

If you don't choose an option when you join the Scheme, your savings will automatically be invested in the Balanced fund. Try and make a point of reviewing this at a later date to make sure this option meets your needs.

Note that the investment mixes, objectives, strategies, benchmarks and the nature of the assets in which each fund invests may change from time to time. More detailed information about the Scheme's investments is available in the Scheme's Statement of Investment Policy and Objectives (SIPO). A copy of the SIPO is available on the Scheme website, from www.disclose-register.companiesoffice.govt.nz or from the Helpline.

Changing your investment option

You can change your investment options by logging in to the [Scheme website](#) and clicking the 'Investments' page or by completing and returning an [Investment Alteration Request form \(D5\)](#).

You can change investment options twice a year. (The first change in any Scheme year is free but the second will incur a fee.)

Seen the Fund Update?

A fund update showing how each investment option has performed and the fees charged over the past year is available on the [Scheme website](#) on the 'Documents' page under 'Fund information'.

Find out your risk profile

For help deciding the level of risk and return that suits you best, go to www.sorted.org.nz/tools/investor-profiler.



5. How to join

Getting started

The following checklist is a good place to start:

- ✓ **Read the Scheme documents** – Take the time to thoroughly read the Scheme documents available at www.dairysuper.co.nz, especially the Product Disclosure Statement.
- ✓ **Set long-term savings goals** – If you need help, visit www.sorted.org.nz/tools/goal-planner. Keep a record of your goals and frequently review them – annually is a popular choice.
- ✓ **Seek financial advice** – You can find a list of financial advisers on the [FMA website](http://www.fma.govt.nz), or contact MoneyTalks at www.moneytalks.co.nz.
- ✓ **Choose an investment option** – Align your long-term savings goals with the investment option that best reflects how you feel about risk. Find out what type of investor you are at www.sorted.org.nz/tools/investor-kickstarter.

If the Dairy Industry Superannuation Scheme sounds right for you, **apply now by completing the application form at the back of the Product Disclosure Statement** and return it to Human Resources/Payroll.

It's as easy as that!

If you have any general questions about the Scheme or the joining process, call the Scheme Helpline on 0800 355 900.

6. Accessing your funds

The benefit you receive from the Scheme is based on the balances in your accounts at the time your benefit is paid (and in the case of death and permanent incapacity, an insured benefit).

The benefits described below exclude any balance in your Locked-In Accounts.

Retirement

The Scheme's main purpose is to help you save for your retirement. If you **retire on or after age 55**, you will receive the balance of:

- › your Member's Account, and
- › Employer's No.1 Account,

that is, your contributions and any employer contributions together with interest.

Benefits are also payable if you resign before age 55, suffer permanent incapacity or significant financial hardship, or die.

Resignation

If you **resign** before your 55th birthday (other than to join another employer that participates in the Scheme), you will receive:

- › the balance in your Member's Account, plus
- › the **vested** portion of your Employer's No.1 Account balance (if you have one), which is 20% for each complete year of Scheme membership.

Complete Membership Year	Vesting Scale
1	20%
2	40%
3	60%
4	80%
5 or more	100%

If you have completed five or more years of membership, or if your employer confirms that you have been made redundant, you will receive the full amount in your Employer's No. 1 Account. If you have not yet completed five years of membership, you will receive 20% of your Employer's No. 1 Account balance (if applicable) for each complete year of Scheme membership. To better understand this, please refer to the table provided above, which outlines the vesting scale and the corresponding percentages based on your years of membership.

You will also receive 100% of any salary sacrifice contributions you have made as an elective member.

Payment of your retirement or resignation benefits

If you retire or resign, you can choose to have your benefit paid to you, or transferred to another retirement scheme. You can also leave all or part of your benefit in the Scheme and become an 'individual member'. See page 18 for further information about individual membership.

First home purchase withdrawal

If you are **buying your first home** (or, in special circumstances, a second home) and you meet the qualifying criteria, you may be able to withdraw an amount up to a maximum of your resignation benefit at the date of your application for a first home withdrawal benefit.

For further information, refer to the [First home purchase withdrawal fact sheet](#) on the Scheme website.

Significant financial hardship

If we consider that you are experiencing or are likely to experience **significant financial hardship**, and if you have exhausted all other sources of funding, you may also qualify to withdraw up to the balance that would have been payable had you left service.

Permanent incapacity

If you suffer **permanent incapacity** (as defined in the Scheme's insurance policy), you will receive:

- › the balances of your Member's Account and Employer's No.1 Account, plus
- › an insured benefit of up to three times your salary in the previous 12 months (refer to page 17 to see how the insured benefits are calculated), provided you have been accepted for cover and the insurer accepts your claim.

Payment of your permanent incapacity benefit

Your permanent incapacity benefit is likely to be paid in three stages:

1. an amount equal to your resignation benefit,
2. the balance of your Employer's No.1 Account not paid out in 1. above,
3. the insurance payment.

If you choose not to retire when you suffer permanent incapacity, only the insurance benefit would be paid at that time.

Access more information

Copies of all Scheme forms and fact sheets are available from the [Documents](#) page on www.dairysuper.co.nz or by calling the Helpline on 0800 355 900.



Death

If you **die**, the benefit payable will include:

- › the balances of your Member's Account and Employer's No.1 Account, plus
- › an insured benefit of up to three times your salary in the previous 12 months (refer to the quick guide below to see how the insured benefits are calculated), provided you have been accepted for cover and the insurer accepts your claim.

Death benefits are paid to your personal representatives.

Calculation of your insured benefits

The Scheme helps you to be prepared for the unexpected by providing insurance cover should you die or suffer permanent incapacity.

Insured benefit before age 62

If you die or become permanently incapacitated before your 62nd birthday, the insured benefit is calculated as:

50x your member contributions (up to a maximum of 6% of your salary) for the 12 months before the date you die or suffer permanent incapacity.

The quick guide below shows how this converts to a multiple of your salary.

Any insured benefit is paid *in addition* to the balances in your Member's Account and Employer's No.1 Account.

Insurance cover – quick guide

If you contributed the following % of your salary over the previous 12 months	Your insurance cover would be
2%	1x salary
3%	1.5x salary
4%	2x salary
5%	2.5x salary
6% or more	3x salary

Benefit on or after age 62

When you reach age 62, the insured benefit reduces on a daily basis by 33.3% each year, reducing to zero by age 65.

The following examples show how the insured benefits are calculated:

Example 1

A member on a salary of \$60,000 contributed 6% of their salary in the 12 months before he or she died or became permanently incapacitated.

The insured benefit will be calculated as:

$$\begin{aligned} &3 \times \$60,000 \\ &= \$180,000 \end{aligned}$$

Example 2

Using the same salary (\$60,000), this time we'll say our member contributed 3% of salary in the 12 months before he or she died.

The insured benefit will be calculated as:

$$\begin{aligned} &1.5 \times \$60,000 \\ &= \$90,000 \end{aligned}$$

Example 3

We will use the same salary (\$60,000) and a contribution rate of 6% of salary. This time, the member is aged exactly 63 years.

The insured benefit will be calculated as:

$$\begin{aligned} &3 \times \$60,000 \times (100\% - 33.3\%) \\ &\$180,000 \times 66.7\% \\ &= \$120,060 \end{aligned}$$



The benefits described earlier exclude any Locked-In Accounts balance. The following section explains when these are payable:

Locked-In Accounts balance

Any Locked-In Accounts balance can only be withdrawn once you reach age 65. This is referred to as your '**qualifying date**'.

If you **leave the Scheme (or become an individual member)** and don't qualify to withdraw your Locked-In Accounts balance, these must be transferred to another complying superannuation fund or a KiwiSaver scheme.

If you are **buying a first home** (or, in special circumstances, a second home) and you meet the qualifying criteria, in addition to your resignation benefit from your standard account balances, you may be able to withdraw up to a maximum of the balance in your Locked-In Accounts (including any Government contributions), provided you leave a balance of \$1,000 in the Scheme.

You may also qualify to make a withdrawal from your Locked-In Accounts balance if we consider you are suffering or likely to suffer **significant financial hardship**. You will not be able to withdraw any Government contributions.

If a **death benefit** is payable, any balance in your Locked-In Accounts will be paid to your personal representatives.

If you **suffer permanent incapacity**, your Locked-In Accounts balance will not be payable until you reach your qualifying date.

You may be able to make an early withdrawal if you were born with a **life-shortening congenital condition**, which is expected to reduce life expectancy below 65. We will determine whether you're eligible for a life-shortening congenital conditions withdrawal based on medical evidence. The benefit will be your Locked-In Account balance.

If you make a withdrawal, you'll no longer be eligible to receive any Government contributions and your employer can stop their contributions.

You can choose to transfer your Locked-In Accounts balance to a KiwiSaver scheme at any time.

See the Product Disclosure Statement for more information, including the qualifying criteria for a first home purchase withdrawal, and the fees that apply to first home purchase withdrawal and certain significant financial hardship withdrawal applications.

In-service withdrawals from age 65

Generally, a benefit is only paid when you leave the Scheme. However, if you are still at work when you reach age 65, you can choose to withdraw all or part of your savings, including your Locked-In Accounts balance.

Individual membership

The Scheme rules allow you to leave all or part of your benefit (excluding any Locked-In Accounts balance you are not yet eligible to withdraw) in the Scheme and become an **individual member**. This can be valuable if investment markets are depressed at the time your benefit becomes payable because you can delay withdrawing all or part of it until investment markets recover.

If you become an individual member, all contributions must cease. Interest will be applied to your benefit at the rate that applies to your chosen investment option.

For further information about individual membership, refer to the Individual membership fact sheet available from the Scheme website or the Helpline.



Did you know?

If you are aged 65 or over, or you are an individual member, at the date of this booklet the following rules apply to withdrawals from your standard accounts:

- › you may only make three withdrawals in any Scheme year (1 April to 31 March),
- › partial withdrawals must be for a minimum of \$2,500, and
- › you must have a minimum of \$5,000 in your account at any time. If your account balance falls below that, you will be paid the full amount and your Scheme membership will cease.

Individual members may also make regular withdrawals. Refer to the Individual membership fact sheet for details.

7. Other things you need to know

Payment of expenses

Performance fees and expenses paid by the underlying funds into which the Scheme invests will be reflected in the unit prices of those funds. The other fees paid to the managers of those funds are paid by redeeming units held by the Scheme.

Switching fees and withdrawal application and setup fees (see the 'Individual action fees' section of the Scheme's Product Disclosure Statement) are deducted from affected members' Member's Accounts.

Our current policy is to deduct all other fees and expenses from the Scheme's reserve fund before interest is allocated to members' accounts. If the balance of the reserve fund is insufficient to meet these costs, these may be deducted from members' standard accounts in proportion to all account balances at the end of the Scheme year.

Details of the current fees and estimates of the charges expected to be deducted from each investment fund are shown in the Scheme's Product Disclosure Statement. The fund update for each investment option and the financial statements detail the expenses for the previous year.

Tax

At the date this booklet was prepared (1 April 2025), the following taxation applied:

- › member contributions are not taxed because, while they are calculated on your before-tax salary, they are deducted from your after-tax income.
- › employer contributions are subject to contribution tax at a rate depending on your income and employer contributions (including tax deducted) in the previous tax year.

The current rates of contribution tax are:

Income Range ¹	Rate
\$0–\$18,720	10.5%
\$18,721–\$64,200	17.5%
\$64,201–\$93,720	30%
\$93,721–\$216,000	33%
\$216,001 and over	39%

¹"Income" is your gross salary or wages and employer superannuation contributions, before deduction of contribution tax, in the previous year or an estimate if you have worked for less than a year.

- › the Scheme's taxable income is taxed at 28%.
- › specific tax rules may apply to some investments, e.g. international equities and off-shore funds.
- › benefits are paid free of tax.
- › under current taxation legislation, you do not need to declare any payment from the Scheme if you are completing a tax return, as tax has already been paid by the Scheme.

Trust Deed

The Scheme is governed by a Trust Deed, which sets out the terms and conditions of membership. Copies of the Trust Deed are available on the *Documents* page of www.dairysuper.co.nz or from the Helpline on 0800 355 900.

Further information

Further information about the Scheme and the offer of membership can be found on the offer register and scheme register at www.disclose-register.companiesoffice.govt.nz.

Enquiries

If you have any questions or need help with any aspect of the Scheme, call 0800 355 900 for assistance.

Alternatively, you can write to the Scheme's administration manager at the following address:

Mercer (N.Z.) Limited
PO Box 1849
Wellington 6140
New Zealand

Complaints


We want to make sure your membership in the Scheme is a positive and trouble-free experience.

To make a complaint, call 0800 355 900. Depending on the nature of the complaint, it will be directed to the administration team or the Scheme Secretary.

For further details of the complaints process, see page 13 of the Scheme's Product Disclosure Statement.

Got questions?

 www.dairysuper.co.nz

 0800 355 900



dairy industry
superannuation scheme