Acts of the 29th Synod

of the

Reformed Churches of New Zealand

Reformed church of Pukekohe

10 June 2016
Reformed Churches of New Zealand

Agenda of the Twenty Ninth Synod

To be convened at the Reformed Church of Pukekohe

10 March 2016

Opening of Synod

This Special Synod will be held, DV, on Friday 10th June 2016 at the Reformed Church of Pukekohe and will be opened by Rev John Haverland on behalf of the convening church, the Reformed Church of Pukekohe. After examination of credentials, the election of the moderamen will take place and the newly elected moderator will constitute the Synod. This Synod will run from 9.00 am–5.30 pm.

Agenda

1. Opening and welcome by Rev John Haverland
2. Examination of credentials
3. Election of moderamen
4. Constitution of Synod
5. Declaration of agreement with the confessional standards
6. Appointments by Moderamen
   a. Reporter for the public
   b. Reporter for Faith in Focus
   c. Advisory committees for synod as necessary
   d. Appointments Committee
   e. Finance/Budget Committee
7. Late correspondence (received after publication of the agenda on 7th May 2016)
8. Presentation and adoption of agenda

   Please note that Appendix 1 of the report from the Emeritus Fund Trustees (attached as Synod Agenda – flow of business) merely represents the order in which they propose to present their report and the supporting material.

9. Schedule of Meetings for the Synod
   The schedule for the meetings of Synod has been set as follows:
   
   09:00 a.m. to 10:30 a.m.  MORNING SESSION 1
   10:30 a.m. to 11:00 a.m.  Break
   11:00 a.m. to 12:30 p.m.  MORNING SESSION 2
   12:30 a.m. to 2:00 p.m.  Lunch
   2:00 p.m. to 3:30 p.m.  AFTERNOON SESSION 1
   3:30 p.m. to 4:00 p.m.  Break
   4:00 p.m. to 5:30 p.m.  AFTERNOON SESSION 2

10. Reports 1–2
Agenda

11. Appointments
   a. Appointment of standing and study committees
   b. Other appointments as necessary
12. Adoption of Budget if any
13. The next synod will be the regular synod scheduled for the second half of 2017, which will be held in the Wellington Presbytery and convened by the Reformed Church of Palmerston North.
14. Final approval of minutes
15. Closing of synod by the moderator

Reports

Overtures

There are no overtures

Reports

Report 1 Emiritus Fund Trustees (Appendices 1–6 included)
Report 2 Future Retirement Savings Committee (Appendices 1–3 and 5 included)
Appendix 4 – SuperLife Investment Statement
Appendix 6 – Sample Member Letters
Appendix 7 – Sample SuperLife Member Application
Appendix 8 – Sample SuperLife Employer Application
Section 1

Minutes of the Sessions of Synod
Reformed Churches of New Zealand
Minutes of the Twenty Ninth Synod

1. Opening of Synod

On Friday 10 June 2016 at 9:00 am Rev J A Haverland the moderator pro-tem welcomed the delegates and Emeritus Fund trustees, and thanked the local organisers. He called for Sing to Lord 217:1–4, 7 to be sung and led in prayer.

Rev Haverland read from Ecclesiastes 2:24–25 and 5:18–20 and reflected how the writer regarded the accumulation of worldly goods as meaningless. Rather there is a joy and satisfaction to be found in following God and delighting in his gifts. Reflecting on Proverbs 3:14 and 11:4 there is a directive to work with diligence and plan for the future. Out of these principles the Emeritus Fund was established. Luke 16:9, applying the Parable of the Dishonest Manager, exhorts us to invest wisely for the future, but to do so keeping an eternal perspective.

Elder D J Bryant then led in prayer and called for Psalm 49:1–5 from Sing to the Lord to be sung.

2. Approval of Credentials

Synod received and approved the credentials of delegates. The delegates from the churches were as follows:

Auckland Presbytery
Avondale ................... Elders J Ploeg, B Cooper
Bucklands Beach .......... Rev R Sparks, Elder G Strayton, Deacon B de Vries (alt.)
Hamilton ................... Rev M R Willemse, Elders J Meinsma, R Voschezang (alt.)
Hukarerei .................. Elders C van Tonder, R M van Dalen, Rev L de Vos (alt.)
North Shore ................ Rev J H Rogers, Elder M J Bradley
Pukekohe .................. Rev J A Haverland, Elder D J Bryant

Wellington Presbytery
Foxton ........................ Elder P van Echten
Hastings ..................... Elder D Kaijser, Deacon R Nieuwland, Elder B Saathof* (alt.)
Masterton ................... Rev P S Kloosterman, Deacon C Martin
Palmerston North .......... Rev M A Flinn, Deacon G van der Kaay
Silverstream ................ Rev P N Archbald, Elder B van der Werff
Wainuiomata ............... Rev P J van Huyssteen, Deacon A Jongepier
Wellington .................. Rev B McDonald, Elder R A Schmidt
Whanganui .................. Rev H Vaatstra, Elder P Mulholland

South Island Presbytery
Bishopdale ................. Rev R J van Wichen, Elder W F Braam, Rev A J de Vries (alt.)
Christchurch .............. Rev D A Waldron, Elder R H de Vries
Dovedale .................... Elder A van Ameys, Deacon A Buter, Rev A J O Holtslag (alt.)
Dunedin ..................... Elders J A Hyslop, J D van Dyk
Oamaru ..................... Elders A S L Miller, P J de Ruiter

* denotes delegate was not present

Apologies were received from the Reformed Church of Nelson whose delegates were prevented from attending by flight cancellations.

In addition, Emeritus Fund trustees and/or Future Retirement Savings Committee members in attendance were Messrs C A Young, W M Kingham and M J Leenders and Mrs S A Bryant.
3. **Election of Moderamen**

A motion from the Reformed Church of Pukekohe to reappoint the moderamen of the 2014 Synod was carried.

The members of the moderamen were then asked to take their seats and lead the synod.

- Moderator ............... Rev Peter Kloosterman (Masterton)
- Vice Moderator .... Rev Robert van Wichen (Bishopdale)
- First Clerk ............ Elder John van Dyk (Dunedin)
- Second Clerk ....... Rev Michael Willemse (Hamilton)

4. **Constitution of Synod**

The moderator declared Synod 2016 officially constituted.

The Reformed Church of Whanganui was welcomed as a newly constituted church.

Revs Ben McDonald (Wellington) and Ryan Sparks (Bucklands Beach) were welcomed as ministers ordained since the last synod.

Vicar Albert Couperus was granted privilege of the floor.

5. **Signification of Agreement with Confessional Standards**

In response to the moderator’s call to indicate their continued agreement with the confessional standards of the Reformed Churches of New Zealand all delegates stood.

6. **Late Correspondence**

Synod received as late correspondence a letter of greeting and assurance of prayer support from the Reformed Churches in the Netherlands.

7. **Appointment**

Elder J D van Dyk was appointed to be reporter for *Faith in Focus*.

8. **Adoption of Agenda**

The moderator indicated a discussion on the 2017 pre-synod Reformation Conference that was agreed at last synod may be held following the other business.

It was agreed by common consent that the agenda be adopted as presented and it was also agreed to follow the flow of business as recommended by the Emeritus Fund trustees.

The moderator welcomed Mr Michael Chamberlain, representing SuperLife Limited.

The moderator expressed appreciation, on behalf of the Synod, to the Emeritus Fund trustees and Future Retirement Savings Committee for their work in presenting thorough and clear material for the delegates.

9. **Order of the Day**

The schedule for the meeting of synod was set as follows:

- 9:00 am to 10:30 am ........Morning session 1
- 10:30 am to 11:00 am ........Morning tea
- 11:00 am to 12:30 pm .........Morning session 2
- 12:30 pm to 2:00 pm ..........Lunch
- 2:00 pm to 3:30 pm ..........Afternoon session 1
- 3:30 pm to 4:00 pm ..........Afternoon tea
- 4:00 pm to 5:30 pm ..........Afternoon session 2
10. Emeritus Fund Trustees (R1)
Mr C A Young began presentation of the report.
Synod decided:

1. To affirm that the Reformed Churches of New Zealand Emeritus Fund is no longer a viable retirement savings vehicle.

11. Future Retirement Savings Committee (R2)
Rev M R Willemse began presentation of the report.
The moderator welcomed prospective vicar Mr Joshua Flinn.
Synod decided:

1. To provide future retirement savings by way of a retirement savings fund under a Master Trust. This fund to be known as The Reformed Churches of New Zealand Emeritus Savings Fund.

Mr M J Chamberlain gave a presentation outlining the benefits of a Master Trust structure and of engaging SuperLife Limited as the retirement savings fund provider.

2. To appoint SuperLife Limited as the manager and day-to-day administrator of The Reformed Churches of New Zealand Emeritus Savings Fund.

Mr M J Leenders continued presentation of the report.
The moderator welcomed Mr Mike Woodbury representing the Chapman Tripp law firm.

12. Closure of Morning Session
Rev A J de Vries read from Psalm 16:1–6 and 16:9–11, led in prayer and called for Psalm 16:1, 2, 5 from Sing to the Lord to be sung.
The moderator called for the delegates to reconvene at 1:30 pm.

13. Opening of Afternoon Session
Rev P J J van Huyssteen read from Proverbs 3:5–6, led in prayer and called for Sing to the Lord 196:1 and 213 to be sung.
Minutes of the morning session were approved.

14. Future Retirement Savings Committee (R2)
Synod decided:

1. To amend the section “Vesting formula for the ‘Standard Termination Benefit’” of the Table of Rules appending the statement, “Where the period of service is less than 25 years the percentage may be increased with the approval of the majority of the Reformed Churches of New Zealand (either as assembled at Synod or given individually in the inter-synodical period).”

2. To
   a. adopt the benefit design of The Reformed Churches of New Zealand Emeritus Savings Fund as outlined in SuperLife’s Deed of Participation including Schedules (Appendix 2).
   b. adopt the membership rules of The Reformed Churches of New Zealand Emeritus Savings Fund as outlined in the Table of Rules (Appendix 1).
   c. approve the entry into and execution of the SuperLife Deed of Participation (including Schedules 1.1, 2.1 and 3.1) with SuperLife Limited and SuperLife Trustee Limited.

3. To agree in principle to transfer the surplus from the former “The Reformed Churches of New Zealand Emeritus Fund” into an Employer Reserve Account in the new “The Reformed Churches of New Zealand Emeritus Savings Fund”.

4. To use the Employer Reserve Account to fully fund church contributions up to 5% of the minimum base stipend to the new “The Reformed Churches of New Zealand Emeritus Savings Fund” until the Reserve Account is exhausted.

5. To establish an oversight committee for the new “The Reformed Churches of New Zealand Emeritus Savings Fund” (to be known as “Emeritus Savings Fund Committee”) and give it authority and responsibility to
   a. establish a Service Level Agreement (SLA) with SuperLife Ltd
   b. manage the Rules of the New Fund
   c. liaise with SuperLife Ltd on behalf of the churches
   d. monitor the new fund’s investment performance
   e. choose the mix of investments used and update this as required
   f. manage the movements of ministers and missionaries into and out of the new fund
   g. respond to enquiries from ministers and missionaries
   h. report and make recommendations to Synod
   i. make such other day-to-day operational decisions as are required

6. To appoint Messrs Colin Young (convenor), Martin Leenders and Jacob Ploeg and Rev Michael Willemse (minister liaison) to comprise this committee until the next synod.

The members of the Future Retirement Savings Committee were thanked for their work by acclamation.

7. To discharge with gratitude the Future Retirement Savings Committee.

15. Execution of the Deed of Participation

The moderator and vice-moderator, on behalf of the churches, signed the Deed of Participation (Report 2, Appendix 2, page 3-30) between the Reformed Churches of New Zealand and SuperLife Limited.

16. Execution of Deeds of Participation

The moderator and vice-moderator, on behalf of the churches, together with the delegates, on behalf of their own churches, signed Deeds of Participation (Report 2, Appendix 8, page 3-123) to admit the constituent churches as associate employers under the master Deed of Participation.

17. Emeritus Fund Trustees (R1)

Mr M W Woodbury continued presentation of the report.

Synod decided:

1. To note the receipt of unanimous written consents from all beneficiaries to the amendments to the Trust Deed and the unanimous consents of all employee members and deferred pensioners to transfer their entitlements into the new “The Reformed Churches of New Zealand Emeritus Savings Fund”.

2. To amend the Deed of Amendment so that the definition of Annual Balance Date in Clause 2 of the Trust Deed is amended by adding to it the words, “, or such other date as may be determined by the Trustees.”

3. To approve the proposed changes to the Trust Deed and resolve to execute the Deed of Amendment.

18. Execution of Deed of Amendment

The moderator, vice-moderator and first clerk, on behalf of the churches, together with the Emeritus Fund trustees, signed The Reformed Churches of New Zealand Emeritus Fund Deed of Amendment (Appendix 2, page 1-8).
19. Emeritus Fund Trustees (R1)

Synod decided:

1. That, having executed the Deed of Amendment and decided that The Reformed Churches of New Zealand Emeritus Fund ought not to continue, to direct the Trustees:
   a. To wind up The Reformed Churches of New Zealand Emeritus Fund effective from the close of business on 30 June 2016; and
   b. To resolve accordingly (and to lodge a copy of the Trustees’ wind-up resolution with the Financial Markets Authority as required by the Act).
   c. To effect the transfer of all Beneficiaries and their entitlements, except for those pensioners who elect to receive their entitlement as a lump sum, into the new “The Reformed Churches of New Zealand Emeritus Savings Fund” with effect from 1 July 2016.
   d. To pay and discharge all costs and expenses incurred prior to the date of winding up and all other costs and expenses.
   e. To effect the transfer of any remaining surplus into the Employer Reserve Account in the new “The Reformed Churches of New Zealand Emeritus Savings Fund”.
   f. To take all such further actions as are required to comply with clause 28 “Winding Up” of the Trust Deed as amended and with all relevant legislation.

2. That Synod charges the Trustees to prepare a final report to the next synod following completion of The Reformed Churches of New Zealand Emeritus Fund’s winding up.

20. Execution of Summary of the Decisions of Synod

The moderator, vice-moderator and first clerk, on behalf of the churches, signed a document confirming the resolutions made by Synod with regards to The Reformed Churches of New Zealand Emeritus Fund (Appendix 3, page 1-14).

21. Execution of Deed of Direction to the Trustees to Wind Up the Emeritus Fund

The moderator, vice-moderator and first clerk, on behalf of the churches, noting the execution and entry into effect of the necessary Deed of Amendment, signed a direction to the Emeritus Fund trustees (Appendix 4, page 1-16), pursuant to Clause 28 of the Trust Deed, to wind up The Reformed Churches of New Zealand Emeritus Fund, effective from the close of business 30 June 2016.

22. Execution of the Emeritus Fund Trustees’ Balance Date Resolutions

The Emeritus Fund trustees signed the resolutions (Appendix 5, page 1-17) to implement the varied balance date.

23. Execution of Trustees’ Resolution to Wind Up the Emeritus Fund

The Trustees of the Emeritus Fund signed a resolution to wind up The Reformed Churches of New Zealand Emeritus Fund (Appendix 6, page 1-18) effective from the close of business 30 June 2016 and to notify Fund members and the Financial Markets Authority accordingly (and to do everything necessary to complete the wind up of the Fund).

24. Payment of Expenses

Synod decided:

That the cost of this synod be borne by the churches as a synodical expense.

25. Reformation Conference

The Reformed Church of Bishopdale, which had been appointed to organise a conference marking the 500th anniversary of the Reformation immediately before the next synod, had notified the Synodical Interim Committee of their inability to carry out this mandate. It was agreed that the SIC should canvass the churches to determine whether another church would be willing to organise the conference.
26. **Closure of Synod**

Minutes of the afternoon session were approved.

The moderator, Rev P S Kloosterman, read from Psalm 17:13–15, made the following remarks and closed in prayer.

“There is a significant contrast in verses 14 and 15 [of Psalm 17]. We have been dealing with our retirement which is always looking to the future and considering matters of the future that we need to deal with. Those who are of the world do this as well and they are satisfied with their children and it gives them a lineage, it gives them descendants, it gives them promise and hope for the future. How many people don’t consider that?

“We looked at that briefly with Psalm 49 when we sung it, but here as well they leave their abundance to their babes. We hope and we trust, and we are thankful for the work of the Committee, and in no way do I want to undermine the work of the Committee and the provision that we have as Reformed ministers for our children and for our wives as widows, as they carry on after us. That is a significant thing, and yet it is not the most significant thing. This Psalm [17] ends with a tremendous reflection on the nature of our true inheritance. What really are we looking forward to? What really is going to sustain us through the hard days and through the good days as well? We see again the amazing provision for us, the anticipation of retirement which many generations previously would never have considered. We have this blessing to consider now.

“But the Psalmist recognises there is something more, something more than a great lineage. Even David would have that promised lineage of the seed that would come from him, who would sit on the throne for ever and ever. But what he longed for, what he looked for, and what we are encouraged to do as well: ‘As for me I will behold your face in righteousness.’ What a magnificent privilege that is. What a beautiful reflection. For all the splendour this world has to offer. For me. For the magnificent provision of a retirement account for me: to behold the face of the Saviour, to behold the face of God in righteousness. It is not a righteousness that is my own, because I know that I don’t have it of myself, but a righteousness that is given to me through David’s son, through Jesus Christ our Lord. In his righteousness we will stand before God.

“That will bring us real satisfaction and real contentment in our life. I will be satisfied with your likeness when I awake. What an amazing reflection as we prepare for our retirement and for our funerals. To be satisfied. To be satisfied with your likeness when we awake in the presence of the Lord. What a privilege that is. We have been through the mental mill today, trying to nut out and work through all this material, though not nearly as significantly as the committee has, and we are so blessed by their work, and yet for all of this they encouraged us and reminded us to also be mindful of what is our real inheritance. When we think of what Jesus said, that this is eternal life, to know Jesus, to know the Father and his Son whom he has sent. That is our inheritance. That is an inheritance that no one can take from us. That is secure for all eternity. It gives us hope, that we will be satisfied ‘with your likeness when I awake.’

“I hope this is something that helps us to be confident and bold and content in preaching the gospel and making this known to a whole bunch of different people and to congregations who are consumed with the rat race, trying to fill their bellies with treasure. Trying to be satisfied with their children. Trying to leave their abundance to their babes. Trying to establish a name that will endure for eternity, which it won’t. Unless it is the name of Jesus Christ which we share by his adoption. And so as we conclude this afternoon, let us thank God for his mercy towards us that we have been able to get through the material. Thank God for the provision that is there for ministers in their retirement but also thank God for this enduring and abiding hope—that I shall behold your face in righteousness. That is something secure, that is something that—no matter how the fund performs—no one will take it from us, the privilege we have.”

Rev A J O Holstlag prayed for a member of the Dovedale congregation, Mr Kasper de Ruiter, who had been hospitalised that afternoon.

The moderator called for Psalm 17:1, 13–15 from *Sing to the Lord* to be sung.

The volunteers who catered for the delegates were thanked by acclamation.

The 29th Synod of the Reformed Churches of New Zealand closed at 4:35pm, Friday 10 June 2016.
Appendix 1: Guide to Cover Photograph

Front row (kneeling) ...... Mr Jacob Ploeg, Rev Ben McDonald, Mr Brett Cooper, Mr Roel Voschezang, Rev Andre Holtslag, Rev Pieter van Huyssteen, Mr Colin Young (Emeritus trustee), Mr Martin Leenders (Emeritus trustee), Mr Richard Schmidt

Second row (seated) ...... Mr Martyn Bradley, Mr Paul van Echten, Rev Michael Willemse, Mr John van Dyk, Rev Peter Kloosterman, Rev Robert van Wichen, Mr Arjen Buter, Mr Andy van Ameyde, Rev Hans Vaatstra, Mr Josh Meinsma, Mr Peter Mulholland

Third row ..................... Mr Andre Jongepier, Mr James Hyslop, Mr David Bryant, Mr Chris Martin, Mr David Kaijser, Mr Ralph van Dalen, Rev John Haverland, Rev David Waldron, Rev Ryan Sparks, Mr Gerald Strayton, Mr Peter de Ruiter

Back row ...................... Rev Andrew de Vries, Rev Leo de Vos, Mr Bart van der Werff, Mr Chris van Tonder, Mr Fred Braam, Rev John Rogers, Mr Rob Nieuwland, Mr Roy de Vries, Mr Bas de Vries, Mr Gerry van der Kaay, Rev Paul Archbald, Mr Andrew Miller, Rev Michael Flinn
The Reformed Churches of New Zealand Emeritus Fund

Deed of Amendment

Colin Andrew Young, Wayne Michael Kingham, Martin John Leenders, Jacob Ploeg and Michael Robert Willemse (Trustees)

The Synod of the Reformed Churches of New Zealand (Synod)
THE REFORMED CHURCHES OF NEW ZEALAND EMERITUS FUND - DEED OF AMENDMENT

Date: 10 June 2016

PARTIES

Colin Andrew Young, Wayne Michael Kingham, Martin John Leenders, Jacob Ploeg and Michael Robert Willemsen (Trustees)

The Synod of the Reformed Churches of New Zealand (Synod)

BACKGROUND

A  The Reformed Churches of New Zealand Emeritus Fund (Fund) is a superannuation scheme registered under the Superannuation Schemes Act 1989 (Act) which is currently governed by a trust deed dated 23 June 1988 as amended by deeds dated 31 January 1999 and 19 December 2011 (Trust Deed).

B  The Trustees, who are the current trustees of the Fund, wish to amend the Trust Deed in the manner set out in this Deed.

C  The Synod has given its prior approval in writing to the proposed amendments comprised in this Deed, as indicated by the signatures to this Deed on behalf of the Synod.

D  The Trustees have obtained the prior written consents of all members of the Fund (comprising, for the avoidance of doubt, all current and deferred pensioners and all members still in the service of the Reformed Churches of New Zealand) to the proposed amendments comprised in clause 2 of this Deed, in accordance with the requirements of section 9(a) of the Act and clause 29(b) of the Trust Deed.

E  The Trustees are satisfied that the Trust Deed, when amended by this Deed, will comply with section 7 of the Act and will not contain any provision contrary to those implied by sections 8 to 10, and has obtained a certificate to that effect from a solicitor under section 12(1)(b) of the Act.

THIS DEED WITNESSES

1) The definition of Annual Balance Date in Clause 2 of the Trust Deed is amended by adding to it the words ", or such other date as may be determined by the Trustees."

2) Clause 28 of the Trust Deed (headed Winding Up) is amended by deleting the text of that Clause and replacing it with the following text:

"If Synod shall decide that the Fund ought not to continue and shall direct the Trustees in writing that the Fund shall be wound up or any order to the like effect shall be made by a Court of competent jurisdiction then subject to the provisions of such order the Fund shall be wound up in the following manner, namely:

a) The assets of the Fund shall be realised."
b) The liabilities of the Fund (other than contingent liabilities to Members, which shall be discharged in accordance with paragraphs (d) to (h) below) shall be discharged.

c) All expenses incurred to the date of winding up, including all fees payable to the Trustees and all other costs and expenses, shall be paid and discharged.

d) The Trustees shall secure the wind-up benefit entitlement of each Member who is still in the service of the Reformed Churches of New Zealand, or who is a deferred pensioner of the Fund, by:

   a. transferring to another retirement benefits plan made available by the Reformed Churches of New Zealand for the benefit of Members (Transferee Plan), in accordance with the requirements of the Act, an amount which the Actuary certifies is at least equivalent to the actuarial reserve held in the Fund in respect of that Member as at the effective date of the wind-up of the Fund; and

   b. thereby entitling that Member to such rights and benefits under the Transferee Plan as have been agreed between the Reformed Churches of New Zealand and the trustee of the Transferee Plan.

e) The Trustees shall offer each Member who is a current pensioner of the Fund the opportunity to:

   a. transfer to the Transferee Plan, in accordance with the requirements of the Act, an amount which the Actuary certifies is at least equivalent to the actuarial reserve held in the Fund in respect of that Member as at the effective date of the wind-up of the Fund; and

   b. thereby become entitled to such rights and benefits under the Transferee Plan as have been agreed between the Reformed Churches of New Zealand and the trustee of the Transferee Plan.

f) A Member in respect of whom a transfer is made pursuant to clause 28(d) or clause 28(e) shall not be entitled to any other benefit under the Fund, the receipt of the transferred amount by the trustee of the Transferee Plan shall be a complete discharge to the Trustees of all liability to or in respect of the former Member under the Fund and the Trustees shall be under no liability to see to the application of the amount so transferred.

g) The Trustees shall pay to each Member who is a current pensioner of the Fund and does not accept the transfer offer made pursuant to clause 28(e) a lump sum of an amount equivalent to the amount which would otherwise have been transferred to the Transferee Plan pursuant to clause 28(e).

h) A Member to whom a payment is made pursuant to clause 28(g) shall not be entitled to any other benefit under the Fund and the Member’s receipt of the lump sum shall be a complete discharge to the Trustees of all liability to or in respect of the former Member under the Fund.

i) The Trustees shall transfer the full amount remaining in the Fund (after all transfers and lump sum payments have been effected pursuant to clauses 28(d), 28(e) and 28(g) and there are accordingly no longer any Members in the Fund) to the Transferee Plan, to be applied by the trustee of the Transferee Plan to an employer reserve account established for the Reformed Churches of New Zealand so as exclusively to fund:

   a. the ongoing provision of retirement benefits for former Members of the Fund who have transferred to the Transferee Plan; and

   b. the provision of retirement benefits to other Ministers and Missionaries of the Reformed Churches of New Zealand.
j) Any remaining property of the Fund (such as any moneys which come to hand after all the aforesaid allocations and payments have been made) shall be appropriated to such Christian purpose or purposes as shall be decided by Synod PROVIDED THAT no part of the assets of the Fund may revert to the General Synodical Fund of the Reformed Churches of New Zealand or to any Employer on the winding up of the Fund without the prior written consent of the Financial Markets Authority (which shall only be given if the Financial Markets Authority is satisfied that there is no Member or other Dependant to whom a benefit arising from those assets should be paid).

k) Any shortfall in the Fund shall subject to Clause 17 of this Deed be funded pro rata between the transfers and payments to be made under paragraphs (d), (e) and (g) of this clause.

l) The Trustees shall, as soon as practicable, advise the Financial Markets Authority that the distribution of assets in accordance with this clause has been completed.”

The parties acknowledge that this Deed may be executed in any number of counterparts and that once the parties have executed the counterparts and each received a copy of each signed counterpart, each counterpart shall be deemed as valid and binding on the party executing it as if it had been executed by all the parties.

A party may execute a counterpart copy of this Deed by printing an electronic version and executing the printed copy. If a party executes that copy and transmits the signed execution page by facsimile or email to the other parties then, for the purposes of this Deed, the transmission shall be deemed proof of signature of the original and the signed counterpart shall be deemed an original.

Without limiting any other mode of delivery, the parties agree to allow delivery of this Deed by transmission in electronic form, by any means of electronic communication (including facsimile or email of a scanned copy), of an original of this Deed executed by a party to the other party or its solicitors.

EXECUTED AS A DEED

Signed by Colin Andrew Young
Signed by Wayne Michael Kingham

in the presence of: in the presence of:

Name: Michael W Woodburn Name: Michael W Woodburn
Occupation: Solicitor Occupation: Solicitor
Address: Wellington Address: Wellington
THE REFORMED CHURCHES OF NEW ZEALAND EMERITUS FUND – DEED OF AMENDMENT

Signed by Martin John Leenders

in the presence of:

Name: Michael W. Woodburn
Occupation: Solicitor
Address: Wellington

Signed by Jacob Ploeg

in the presence of:

Name: Michael W. Woodburn
Occupation: Solicitor
Address: Wellington

Signed by Michael Robert Willemse

in the presence of:

Name: Michael W. Woodburn
Occupation: Solicitor
Address: Wellington
Signed for and on behalf of the Synod of the Reformed Churches of New Zealand:

Signature:

Name: Peter S Kloosterman

Signature:

Name: Robert Jan van Widen

Signature:

Name: Joan Dominicus van Dyk

in the presence of:

Signature:

Name: Michael W Woodburn

Occupation: Solicitor

Address: Wellington
Appendix 3: Summary of Synod’s Resolutions

THE SYNOD OF THE REFORMED CHURCHES OF NEW ZEALAND

(Synod)

Resolutions of the Synod

Date: 2016

1 Introduction

A The Reformed Churches of New Zealand sponsor the Reformed Churches of New Zealand Emeritus Fund (Fund), which is governed by a Trust Deed dated 23 June 1988 as amended by deeds dated 31 January 1999 and 19 December 2011 (Trust Deed).

B The Synod concurs with the Trustees of the Fund that the regulatory framework that will shortly begin applying to the Fund under the Financial Markets Conduct Act 2013 will be more complex and will expose the Reformed Churches of New Zealand and the Trustees to increased risk and Fund members to more cost.

C The Reformed Churches of New Zealand (having consulted with Fund members) have chosen to establish a new superannuation plan (New Plan) within the SuperLife superannuation scheme for both:

a. the ongoing provision of retirement benefits to former Members of the Fund who have transferred to the New Plan; and

b. the provision of retirement benefits to other Ministers and Missionaries of the Reformed Churches of New Zealand.

D The Trustees of the Fund have obtained the prior written consents of all Fund members (comprising, for the avoidance of doubt, all current and deferred pensioners and all members still in the service of the Reformed Churches of New Zealand) to a proposed enabling Deed of Amendment, in accordance with the requirements of section 9(a) of the Superannuation Schemes Act 1989 (Act) and clause 29(b) of the Trust Deed.

E The principal purpose of the proposed Deed of Amendment (copy attached) is to facilitate full member exits (by way of lump sum payments or pre-agreed transfers to the New Plan) following the wind-up of the Fund, on the basis set out in the Deed of Amendment.

F Additionally, all deferred pensioners and all members still in the service of the Reformed Churches of New Zealand (as well as certain current pensioners) have consented to re-invest their wind-up benefits, and confirmed that they will re-invest those benefits, in the New Plan following the wind-up of the Fund.

G To establish the New Plan, it is proposed that the Reformed Churches of New Zealand will enter into a Participation Deed (incorporating a Schedule) with SuperLife Limited and SuperLife Trustee Limited (Participation Deed).

H It is also proposed that the Reformed Churches of New Zealand will approve a suite of subscription materials produced by SuperLife and relating to certain Fund members’
agreed re-investment of their wind-up benefit entitlements from the Fund in the New Plan.

1 The Synod has received and reviewed finals of the materials referred to in paragraphs G and H.

2 The Synod has also received and reviewed a sign-off and certificate from Chapman Tripp with respect to the proposed Deed of Amendment.

2 Resolutions

The Synod resolves:

3 to approve the entry into and execution of the enabling Deed of Amendment;

4 to approve the entry into and execution of the Participation Deed;

5 to approve the subscription materials for the New Plan;

6 that the Fund should be discontinued following the full execution and entry into force of the Deed of Amendment and that accordingly, once the Deed of Amendment has taken effect, they will direct the Trustees in writing:

6.1 that the Fund is to be wound up effective from the close of 30 June 2016; and

6.2 to resolve accordingly (and to lodge a copy of the Trustees’ wind-up resolution with the Financial Markets Authority as required by the Act);

7 that any three members of the Synod are authorised to take all such further actions as are considered necessary or desirable in order to effect the amendments to the Trust Deed, establish and implement the New Plan, direct the Trustees to resolve and effect the wind-up of the Fund, notify the Charities Registrar and effect re-investments into the New Plan and lump sum benefit payments as required.

Signed for and on behalf of the Synod of the Reformed Churches of New Zealand:

Signature: __________________________

Name: __________________________

Signature: __________________________

Name: __________________________

Signature: __________________________

Name: __________________________
Appendix 4:  Deed of Direction to the Trustees to Wind Up the Emeritus Fund

THE SYNOD OF THE REFORMED CHURCHES OF NEW ZEALAND
(Synod)

Direction to Trustees of Reformed Churches of New Zealand Emeritus Fund (Fund)

Date: 10 June 2016

1) The Reformed Churches of New Zealand sponsor the Fund, which is governed by a Trust Deed dated 23 June 1988 as amended by deeds dated 31 January 1999, 19 December 2011 and 10 June 2016 (Trust Deed).

2) The Synod concurs with the Trustees of the Fund that the regulatory framework that will shortly begin applying to the Fund under the Financial Markets Conduct Act 2013 will be more complex and will expose the Reformed Churches of New Zealand and the Trustees to increased risk and Fund members to more cost.

3) The Synod has accordingly decided that the Fund ought not to continue.

4) The Synod hereby directs the Trustees of the Fund, pursuant to clause 28 of the Trust Deed, that the Fund is to be wound up effective from the close of business on 30 June 2016.

Signed for and on behalf of the Synod of the Reformed Churches of New Zealand:

Signature: [Signature]
Name: Peter S Kloosterman

Signature: [Signature]
Name: Robert Jan van Wicher

Signature: [Signature]
Name: John Dominicus van Dyk
Appendix 5: Emeritus Fund Trustees’ Balance Date Resolutions

The Reformed Churches of New Zealand Emeritus Fund

Date: 10 June 2016

Resolutions
The Trustees hereby resolve:

i) to change the balance date of the Reformed Churches of New Zealand Emeritus Fund (Fund) from 31 March to 30 June, with the effect that the final balance date of the Fund will be 30 June 2016; and

ii) that the Chairman of Trustees, Colin Andrew Young, be and is hereby authorised to do everything necessary on behalf of the Trustees to effect the change of the Fund’s balance date from 31 March to 30 June.

SIGNED by the Trustees:

Colin Andrew Young

Wayne Michael Kingham

Martin John Leenders

Jacob Ploeg

Michael Robert Willemse
Appendix 6: Emeritus Fund Trustees’ Wind Up Resolutions (final version)

The Reformed Churches of New Zealand Emeritus Fund

Date: 13 June 2016

Background
A. The Trustees act as the trustees of the Reformed Churches of New Zealand Emeritus Fund (Fund), which is governed by a Trust Deed dated 23 June 1988 as amended by deeds dated 31 January 1999, 19 December 2011 and 10 June 2016 (Trust Deed).

B. Pursuant to Clause 28 of the Trust Deed, the Trustees must resolve to wind up the Fund if the Synod of the Reformed Churches of New Zealand (Synod) directs them in writing that the Fund is to be wound up.

C. The Synod has directed the Trustees in writing that the Fund is to be wound up effective from the close of 30 June 2016 and a copy of the Synod’s direction is attached to these resolutions.

Resolutions
The Trustees hereby resolve:

(i) pursuant to Clause 28 of the Trust Deed, to wind up the Fund effective from the close of business on 30 June 2016;

(ii) to notify Fund members and the Financial Markets Authority (FMA) accordingly;

(iii) to do everything necessary to effect the dissolution of the Fund and the cancellation of its registration under the Superannuation Schemes Act 1989; and

(iv) that the Chairman of Trustees, Colin Andrew Young, be and is hereby authorised to sign on behalf of the Trustees all communications to Fund members and the FMA regarding the winding up of the Fund.

SIGNED by the Trustees:

Colin Andrew Young

Wayne Michael Kington

Martin John Leenders

Michael Robert Willemse
Section 2

Moderators, Clerks

and Stated Clerks
Moderators, Clerks and Stated Clerks

**First Synod**, assembled in Wellington in the year 1953
Moderator  Rev. E. Dijkstra, Wellington
First Clerk  Mr. A. Van Gelder
General Adjunct  Rev. J. W. Deenik, Auckland

**Second Synod**, assembled in Auckland in the year 1953
Moderator  Rev. J. W. Deenik, Auckland
First Clerk  Mr. Th. Althuis

**Third Synod**, assembled in Wellington in the year 1954
Moderator  Rev. E. Dijkstra, Wellington
First Clerk  Mr. A. Van Gelder
Second Clerk  Mr. F. Channing
General Adjunct  Rev. J. W. Deenik, Auckland

**Fourth Synod**, assembled in Auckland in the year 1955
Moderator  Rev. B. Boelens, Christchurch
First Clerk  Mr. F. Channing
Second Clerk  Mr. P. G. Van Dam

**Fifth Synod**, assembled in Hamilton in the year 1957
Moderator  Rev. J. W. Deenik, Auckland
First Clerk  Mr. W. In’t Veld
Second Clerk  Mr. J. Kleinjan
General Adjunct  Rev. E. Dijkstra, Wellington

**Sixth Synod**, assembled in Dunedin in the year 1959
Moderator  Rev. J. A. Scarrow, Bucklands Beach
First Clerk  Mr. H. Vander Pols
Second Clerk  Mr. P. G. Van Dam
General Adjunct  Rev. R. J. Venema, Dunedin

**Seventh Synod**, assembled in Wellington in the year 1961
Moderator  Rev. R. J. Venema, Bucklands Beach
First Clerk  P. G. Van Dam
Second Clerk  Mr. W. Van Rij
General Adjunct  Rev. J. W. Deenik, Auckland

**Eighth Synod**, assembled in Wellington in the year 1962
Moderator  Rev. S. Cooper, Christchurch
First Clerk  Mr. D. G. Vanderpyl
Second Clerk  Rev. R. O. Zorn, Hamilton
General Adjunct  Rev. P. H. Pellicaan, Dunedin

Stated Clerk  Rev. R. O. Zorn, Hamilton
Ninth Synod, assembled in Wellington in the year 1964
Moderator          Rev. R. O. Zorn, Hamilton
First Clerk        Rev. A. I. de Graaf, Wellington
Second Clerk       Mr. F. Channing
General Adjunct    Rev. P. Vander Schaaf, Christchurch
Stated Clerk       Rev. R. O. Zorn

Tenth Synod, assembled in Christchurch in the year 1965
Moderator          Rev. G. I. Williamson, Mangere
First Clerk        Rev. A. I. de Graaf, Avondale
Second Clerk       Rev. F. Channing, Nelson
General Adjunct    Rev. P. H. Pellicaan, Dunedin
Stated Clerk       Rev. R. O. Zorn, Hamilton

Eleventh Synod, assembled in Avondale in the year 1967
Moderator          Rev. H. L. Hoving, Silverstream
First Clerk        Rev. A. I. de Graaf, Avondale
Second Clerk       Rev. T. E. Tyson, Bucklands Beach
General Adjunct    Rev. R. O. Zorn, Hamilton
Stated Clerk       Rev. C. J. Reitsma, Wellington

Twelfth Synod, assembled in Nelson in the year 1969
Moderator          Rev. C. J. Reitsma, Wellington
First Clerk        Mr. D. G. Vanderpyl
Second Clerk       Rev. F. Channing, Nelson
General Adjunct    Rev. T. E. Tyson, Hamilton
Stated Clerk       Mr. D. G. Vanderpyl

Thirteenth Synod, assembled in Wellington in the year 1971
Moderator          Rev. H. L. Hoving, Silverstream/Wainuiomata
First Clerk        Rev. W. Wiersma, Christchurch
Second Clerk       F. W. Kroon, Bucklands Beach
General Adjunct    Rev. A. W. Palmer, Mangere
Stated Clerk       Mr. D. G. Vanderpyl

Fourteenth Synod, assembled in Silverstream in the year 1974
Moderator          Rev. W. Wiersma, Christchurch
Vice Moderator     Rev. W. A. Davies, Bucklands Beach
First Clerk        D. G. Vanderpyl
Second Clerk       Rev. H. L. Hoving, Invercargill
Stated Clerk       Mr. D. G. Vanderpyl

Fifteenth Synod, assembled in Hamilton in the year 1977
Moderator          Rev. G. I. Williamson, Silverstream
Vice Moderator     Rev. A. W. Palmer, Mangere
First Clerk        Rev. M. Schwarz, Hamilton
Second Clerk       Rev. L. Reurich, Hastings
Stated Clerk       Mr. D. G. Vanderpyl
Sixteenth Synod, assembled in Palmerston North in the year 1980
  Moderator          Rev. M. Schwarz, Hamilton
  Vice Moderator     Rev. J. Goris, Avondale
  First Clerk        Mr. J. C. Williams, Nelson
  Second Clerk       Rev. L. Reurich, Kerepehi/Tokoroa
  Stated Clerk       Mr. D. G. Vanderpyl

Seventeenth Synod, assembled in Christchurch in the year 1983
  Moderator          Rev. P. D. Stadt, Christchurch
  Vice Moderator     Mr. J. E. de Graaf, Bishopdale
  First Clerk        Rev. B. U. Kuipers, Palmerston North
  Second Clerk       Rev. C. A. R. Larsen, Dunedin
  Stated Clerk       Mr. D. G. Vanderpyl

Eighteenth Synod, assembled in Mangere in the year 1986
  Moderator          Rev. D. J. Van Garderen, Bishopdale
  Vice Moderator     Rev. P. R. Flinn, North Shore
  First Clerk        Rev. B. E. Hoyt, Silverstream
  Second Clerk       Mr. L. Draijer, Nelson
  Stated Clerk       Mr. D. G. Vanderpyl

Nineteenth Synod, assembled in Silverstream in the year 1989
  Moderator          Rev. W. Wiersma, Hamilton
  Vice Moderator     Rev. B. Kroon, Christchurch
  First Clerk        Rev. J. A. Haverland, Bucklands Beach
  Second Clerk       Rev. D. VanderVecht, Avondale
  Stated Clerk       Mr. D. G. Vanderpyl

Twentieth Synod, assembled in Bishopdale in the year 1992
  Moderator          Rev. W. Wiersma, Hamilton
  Vice Moderator     Rev. J. A. Haverland, Bishopdale
  First Clerk        Rev. M. A. Flinn, Pukekohe
  Second Clerk       Rev. B. E. Hoyt, Masterton
  Stated Clerk       Mr. J. Ploeg, Avondale

Twenty First Synod, assembled in Avondale in the year 1995
  Moderator          Rev. J. A. Haverland, Bishopdale
  Vice Moderator     Rev. M. A. Flinn, Pukekohe
  First Clerk        Rev. B. E. Hoyt, Hastings
  Second Clerk       Mr. W. Walraven, Silverstream
  Stated Clerk       Mr. J. Ploeg, Avondale

Twenty Second Synod, assembled in Wainuiomata in the year 1998
  Moderator          Rev. J. A. Haverland, Bishopdale
  Vice Moderator     Rev. G. Milne, Wainuiomata
  First Clerk        Rev. B. E. Hoyt, Hastings
  Second Clerk       Rev. M. A. Flinn, Pukekohe
  Stated Clerk       Rev. B. E. Hoyt, Hastings
Moderamen

**Twenty Third Synod**, assembled in Palmerston North in the year 2001

**Moderator**  
Rev. M. A. Flinn, Dovedale

**Vice Moderator**  
Rev. M. A. Capill, Bucklands Beach

**First Clerk**  
Rev. S. Bajema, Mangere

**Second Clerk**  
Mr. J. van Rensburg, Bucklands Beach

**Stated Clerk**  
Rev. B. E. Hoyt, Hastings

**Twenty Fourth Synod**, assembled in Christchurch in the year 2002

**Moderator**  
Rev. W. Wiersma, Hamilton

**Vice Moderator**  
Rev. J. A. Haverland, Bishopdale

**First Clerk**  
Rev. B. E. Hoyt, Hastings

**Second Clerk**  
Mr. W. Walraven, Silverstream

**Stated Clerk**  
Rev. B. E. Hoyt, Hastings

**Twenty Fifth Synod**, assembled in Hamilton in the year 2005

**Moderator**  
Rev. J. A. Haverland, Bishopdale

**Vice Moderator**  
Rev. M. A. Flinn, Dovedale

**First Clerk**  
Rev. B. E. Hoyt, Hastings

**Second Clerk**  
Mr. R. de Vries, Christchurch

**Stated Clerk**  
Rev. B. E. Hoyt, Hastings

**Twenty Sixth Synod**, assembled in Hastings in the year 2008

**Moderator**  
Rev. J. H. Rogers, North Shore

**Vice Moderator**  
Rev. D. J. van Garderen, Bucklands Beach

**First Clerk**  
Mr. P. van der Wel, Hamilton

**Second Clerk**  
Rev. A. Nugteren, Wellington

**Stated Clerk**  
Rev. B. E. Hoyt, Hastings

**Twenty Seventh Synod**, assembled in Bucklands Beach in the year 2011

**Moderator**  
Rev. B. E. Hoyt, Dunedin/Oamaru

**Vice Moderator**  
Rev. P. S. Kloosterman, Masterton

**First Clerk**  
Mr. P. van der Wel, Hamilton

**Second Clerk**  
Rev. M. R. Willemse, Hamilton

**Stated Clerk**  
Mr. P. van der Wel, Hamilton

**Twenty Eighth Synod**, assembled in Bishopdale in the year 2014

**Moderator**  
Rev. P. S. Kloosterman, Masterton

**Vice Moderator**  
Rev. R. J van Wichen, Bishopdale

**First Clerk**  
Mr. J. D. van Dyk, Dunedin

**Second Clerk**  
Rev. M. R. Willemse, Hamilton

**Stated Clerk**  
Mr. P. van der Wel, Hamilton

**Twenty Ninth Synod**, assembled in Pukekohe in the year 2016

**Moderator**  
Rev. P. S. Kloosterman, Masterton

**Vice Moderator**  
Rev. R. J van Wichen, Bishopdale

**First Clerk**  
Mr. J. D. van Dyk, Dunedin

**Second Clerk**  
Rev. M. R. Willemse, Hamilton

**Stated Clerk**  
Mr. P. van der Wel, Hamilton
Section 3

Reports Presented to Synod
The Reformed Churches of New Zealand Emeritus Fund

Report to 2016 Synod

Board of Trustees
Mr C A Young (convener)
Mr W M Kingham
Mr M J Leenders
Mr J Ploeg
Rev M R Willems

Postal Address
P.O. Box 1002
Pukekohe 2340

7 May 2016

To the sessions of the Reformed Churches of New Zealand

Dear brothers

In line with our letter to the Synodical Interim Committee dated 29th February 2016, we are now writing to you again to explain in detail what we, as Trustees, are proposing in relation to the future of The Reformed Churches of New Zealand Emeritus Fund (the Fund) and the consequent implications for its pensioners, deferred pensioners and those members who are ministers and missionaries currently in the service of the Reformed Churches of New Zealand (collectively the Beneficiaries).

We have drafted an agenda that outlines the order of business to help with arrangements for the meeting of Synod scheduled for 10th June 2016, attached as Appendix 1.

The current situation

The Reformed Churches of New Zealand (the Churches) sponsor the Fund, which is governed by a Trust Deed dated 23 June 1988 as amended by deeds dated 31 January 1999 and 19 December 2011 (Trust Deed).

The Fund is a defined benefit superannuation scheme which offers ministers and missionaries a pension when they retire from service with the Churches. The pension depends on the length of active service and increases annually in line with inflation. In addition, prior to reaching normal retirement age, members in the service of the Churches (and their spouses) are entitled to benefits on death and permanent disability.

Why do things need to change?

The Government has made sweeping changes to the way it regulates the financial markets following the establishment of the Financial Markets Authority (FMA). The legislation that currently governs the Fund (the Superannuation Schemes Act 1989) has been replaced by the Financial Markets Conduct Act 2013 (the Act). If the Fund were to continue, it would have to become compliant with the Act by 1 December 2016. The only other alternative is to wind up the Fund.

Changes required by the Act will be costly and the Fund will become an unsuitable method of delivering retirement savings. The Act exposes the Churches and the Trustees to increased risk and the Churches to more costs. Significant transition costs make the position of smaller superannuation schemes like the Fund untenable. The Trustees estimate that first year compliance costs under the Act would exceed $100,000. Our letter to the Churches dated 29th February 2016 provides more detailed information.

The Trustees cannot recommend that the Fund should transition to the Act and have therefore concluded that the best option is to establish a new retirement savings arrangement (New Fund) and to wind up the Fund. The Trustees are therefore seeking the agreement of Synod, when it meets on 10th June 2016, to wind up the Fund. The winding up would take effect on 30 June 2016. By choosing that date, the Trustees
Report 1
Emeritus Fund

will avoid further significant legal, actuarial and audit costs and so conserve the assets already accumulated in the Fund.

Proposed New Fund

At the request of the Trustees, the Synodical Interim Committee (the SIC) established the Future Retirement Saving Committee (the FRSC) on 25th February 2016 to undertake the work of assessing alternative vehicles for providing retirement and other benefits for the Beneficiaries. The SIC appointed the current Trustees of the Fund and Mrs Sarah Bryant as members of this committee.

The Trustees endorse the recommendations made by the FRSC in their report to Synod.

For further information about the New Fund please refer to the FRSC report.

The winding up process

The Trustees are bound by the provisions of the Trust Deed which established the Fund, and are required to act in the best interest of the Beneficiaries of the Fund. Under the Trust Deed, only Synod has the power to wind up the Fund when they consider that it is appropriate. Because of the increased costs and management time that has been outlined above and after consultation with the Fund’s advisers, the Trustees believe that now is the right time to wind up the Fund and to establish the New Fund for the Beneficiaries.

The current Winding Up clause stipulates that, if the Fund is wound up, the Trustees must purchase an annuity (pension) for each member equivalent to the pension they would have received from the Fund. The annuity market in New Zealand has ceased to exist and there are no longer any providers in New Zealand – so compliance with the Winding Up clause as it stands is no longer possible. Instead, the Trustees are proposing that Beneficiaries’ wind up entitlements are transferred to the New Fund. The entitlements have been certified by the Fund’s Actuary (Mercer) as equivalent to the actuarial reserve held in the Fund in respect of each Beneficiary. The wording of the Winding Up clause in the Fund’s Trust Deed needs to be changed to allow these transfers to happen.

During the process of drafting the enabling Deed of Amendment (to change the wording of the Winding Up clause of the Trust Deed), it became apparent to the Trustees that the wording of the Deed of Amendment had to protect the charitable and income tax free status of the Fund to ensure the assets in the Fund were not jeopardised. This is the reason why, of all the Beneficiaries, only current pensioners have the option of receiving their respective wind up entitlements as a lump sum. The entitlements of deferred pensioners and those members who are ministers or missionaries currently in the service of the Churches have to be transferred to the New Fund.

The proposed enabling Deed of Amendment has been prepared by Mike Woodbury, Partner of Chapman Tripp of Wellington, so as to be in accordance with the requirements of section 9(a) of the Superannuation Schemes Act 1989 and clause 29(b) of the Trust Deed, attached as Appendix 2. A copy of the proposed certificate under section 12(1)(b) of the Superannuation Schemes Act 1989 from Chapman Tripp with respect to the proposed Deed of Amendment, is attached as Appendix 3.

A document has been attached which compares the current Winding Up clause in the Trust Deed with the amended Winding Up clause which will allow Beneficiaries’ entitlements to be transferred to the New Fund, Appendix 4.

In broad terms, the proposed changes to the Winding Up clause are intended to allow:

- Members still in service and deferred pensioners to transfer their entitlements to the New Fund (sub clause d).
- Pensioners to transfer their entitlements to the New Fund (sub clause e).
- Pensioners who do not wish to transfer to the New Fund to receive a lump sum (sub clause g).
• Such transfer (sub clause f) or payment (sub clause h) to constitute the Beneficiary’s full entitlement.
• The Surplus in the Fund to be transferred to an Employer Reserve Account in the New Fund (sub clause i).
• Some other minor changes to recognise the new legislative environment and to accommodate the above.

The consent of all the Beneficiaries and Synod is required before the necessary amendments to the Trust Deed can be made. The Trustees’ letter to all the respective Beneficiaries, dated 4th May 2016, asks for their written consent to the proposed amendments by 31st May 2016. Please refer to the FRSC’s Report to Synod for a copy of all the information sent to the Beneficiaries to obtain such consent. If all the Beneficiaries and Synod agree, the Trustees will be able to wind up the Fund.

In the event that all Beneficiaries do not give their consent to the proposed changes, Synod and the Trustees would need to consider whether to go to the High Court to apply for directions enabling the necessary changes to be made. This will be a very expensive and unbiblical process, and the Trustees are keen to avoid it.

**Transferring to the New Fund**

Given that the Trustees are quite clear that winding up the Fund is the right thing to do, they are proposing that the most equitable way to deal with the assets of the Fund is to distribute wind up entitlements to all the Fund’s Beneficiaries by transferring them to the New Fund proposed by the FRSC.

Beneficiaries currently in receipt of a pension will also have the option to take their wind up entitlement as a cash lump sum, instead of transferring it to the New Fund. The Fund’s Actuary has calculated the value of each Beneficiary’s wind up entitlement as at 30th June 2016 and these calculations have been certified as (at least) equivalent to the actuarial reserve held in the Fund in respect of each Beneficiary. We have attached Mercer’s Actuarial Certification as Appendix 5.

Any assets left in the Fund in excess of the Beneficiaries’ wind up entitlements and Fund expenses will be transferred to the New Fund, establishing an Employer’s Reserve Account. From current information available and barring any reduction in the value of investments held by the Fund, we estimate the amount in the Fund in excess of the Beneficiaries’ wind up entitlements and expenses to be $366,000 (the Surplus).

**Recommendations**

The Trustees recommend:

1) That Synod receives this Report.
2) That Synod receives the Report from the Future Retirement Savings Committee.
3) That Synod adopts the draft agenda.
4) That Synod affirms that the Reformed Churches of New Zealand Emeritus Fund is no longer a viable retirement savings vehicle.
5) That Synod notes the receipt of unanimous written consents from all Beneficiaries to the amendments to the Trust Deed and the unanimous consents of all employee members and deferred pensioners to transfer their entitlements into the New Fund.
6) That Synod approves the proposed changes to the Trust Deed and resolves to execute the Deed of Amendment.
7) That, having executed the Deed of Amendment and decided that the Fund ought not to continue, the Synod directs the Trustees:
   a. To wind up the Fund effective from the close of business on 30 June 2016; and
   b. To resolve accordingly (and to lodge a copy of the Trustees’ wind-up resolution with the Financial Markets Authority as required by the Act).
   c. To effect the transfer of all Beneficiaries and their entitlements, except for those pensioners who elect to receive their entitlement as a lump sum, into the New Fund with effect from 1 July 2016.
   d. To pay and discharge all costs and expenses incurred prior to the date of winding up and all other costs and expenses.
   e. To effect the transfer of any remaining surplus into the Employer Reserve Account in the New Fund
   f. To take all such further actions as are required to comply with clause 28 “Winding Up” of the Trust Deed as amended and with all relevant legislation.

8) That Synod charges the Trustees to prepare a final report to the next synod following completion of the Fund’s winding up.

If you have any questions at this stage, please contact the chairman at colin@arc.net.nz or on 021 190 1907.

On behalf of the Board of Trustees

Colin A Young
Chairman

Attachments:

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Description</th>
<th>Pages</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix 1</td>
<td>Draft agenda</td>
<td>Page 5</td>
<td>[3-5]</td>
</tr>
<tr>
<td>Appendix 2</td>
<td>Proposed Deed of Amendment</td>
<td>Pages 6–10</td>
<td>[3-6 to 3-10]</td>
</tr>
<tr>
<td>Appendix 3</td>
<td>Chapman Tripp certificate</td>
<td>Page 12</td>
<td>[3-12]</td>
</tr>
<tr>
<td>Appendix 4</td>
<td>Winding up clause comparison</td>
<td>Pages 13–16</td>
<td>[3-13 to 3-16]</td>
</tr>
<tr>
<td>Appendix 5</td>
<td>Mercer’s Actuarial Certification</td>
<td>Pages 17–18</td>
<td>[3-17 to 3-18]</td>
</tr>
<tr>
<td>Appendix 6</td>
<td>Trustees’ wind-up resolution</td>
<td>Page 19</td>
<td>[3-19]</td>
</tr>
</tbody>
</table>
Appendix 1 – Draft Agenda for order of business at Synod

**Synod Agenda**

1. **Emeritus Fund report – Colin Young**
   - Why the fund is no longer viable

   Emeritus Report recommendations 1–4

2. **Future Retirement and Savings Committee – Michael Willemse**
   - Why a Master Trust

   FRSC Report recommendation 1

3. **SuperLife presentation – Michael Chamberlain**

   FRSC Report recommendation 2

4. **Future Retirement and Savings Committee – Martin Leenders**
   - New fund design

   FRSC Report recommendations 3–8

   Synod executes the Deed of Participation

5. **Changes to the Trust Deed – Mike Woodbury (Chapman Tripp)**

    Emeritus Report recommendation 5–6

    Synod executes the Deed of Amendment

    Emeritus Report recommendations 7–8
The Reformed Churches of New Zealand Emeritus Fund

Deed of Amendment

Colin Andrew Young, Wayne Michael Kingham, Martin John Leenders, Jacob Ploeg and Michael Robert Willemse (Trustees)

The Synod of the Reformed Churches of New Zealand (Synod)
THE REFORMED CHURCHES OF NEW ZEALAND EMERITUS FUND - DEED OF AMENDMENT

Date: 2016

PARTIES

Colin Andrew Young, Wayne Michael Kingham, Martin John Leenders, Jacob Ploeg and Michael Robert Willemse (Trustees)

The Synod of the Reformed Churches of New Zealand (Synod)

BACKGROUND

A The Reformed Churches of New Zealand Emeritus Fund (Fund) is a superannuation scheme registered under the Superannuation Schemes Act 1989 (Act) which is currently governed by a trust deed dated 23 June 1988 as amended by deeds dated 31 January 1999 and 19 December 2011 (Trust Deed).

B The Trustees, who are the current trustees of the Fund, wish to amend the Trust Deed in the manner set out in this Deed.

C The Synod has given its prior approval in writing to the proposed amendments comprised in this Deed, as indicated by the signatures to this Deed on behalf of the Synod.

D The Trustees have obtained the prior written consents of all members of the Fund (comprising, for the avoidance of doubt, all current and deferred pensioners and all members still in the service of the Reformed Churches of New Zealand) to the proposed amendments comprised in this Deed, in accordance with the requirements of section 9(a) of the Act and clause 29(b) of the Trust Deed.

E The Trustees are satisfied that the Trust Deed, when amended by this Deed, will comply with section 7 of the Act and will not contain any provision contrary to those implied by sections 8 to 10, and has obtained a certificate to that effect from a solicitor under section 12(1)(b) of the Act.

THIS DEED WITNESSES that the Trust Deed is amended deleting the text of clause 28 (headed Winding Up) and replacing it with the following text:

"If Synod shall decide that the Fund ought not to continue and shall direct the Trustees in writing that the Fund shall be wound up or any order to the like effect shall be made by a Court of competent jurisdiction then subject to the provisions of such order the Fund shall be wound up in the following manner, namely:

a) The assets of the Fund shall be realised.

b) The liabilities of the Fund (other than contingent liabilities to Members, which shall be discharged in accordance with paragraphs (d) to (h) below) shall be discharged.

c) All expenses incurred to the date of winding up, including all fees payable to the Trustees and all other costs and expenses, shall be paid and discharged."
d) The Trustees shall secure the wind-up benefit entitlement of each Member who is still in the service of the Reformed Churches of New Zealand, or who is a deferred pensioner of the Fund, by:

   a. transferring to another retirement benefits plan made available by the Reformed Churches of New Zealand for the benefit of Members (Transferee Plan), in accordance with the requirements of the Act, an amount which the Actuary certifies is at least equivalent to the actuarial reserve held in the Fund in respect of that Member as at the effective date of the wind-up of the Fund; and

   b. thereby entitling that Member to such rights and benefits under the Transferee Plan as have been agreed between the Reformed Churches of New Zealand and the trustee of the Transferee Plan.

e) The Trustees shall offer each Member who is a current pensioner of the Fund the opportunity to:

   a. transfer to the Transferee Plan, in accordance with the requirements of the Act, an amount which the Actuary certifies is at least equivalent to the actuarial reserve held in the Fund in respect of that Member as at the effective date of the wind-up of the Fund; and

   b. thereby become entitled to such rights and benefits under the Transferee Plan as have been agreed between the Reformed Churches of New Zealand and the trustee of the Transferee Plan.

f) A Member in respect of whom a transfer is made pursuant to clause 28(d) or clause 28(e) shall not be entitled to any other benefit under the Fund, the receipt of the transferred amount by the trustee of the Transferee Plan shall be a complete discharge to the Trustees of all liability to or in respect of the former Member under the Fund and the Trustees shall be under no liability to see to the application of the amount so transferred.

g) The Trustees shall pay to each Member who is a current pensioner of the Fund and does not accept the transfer offer made pursuant to clause 28(e) a lump sum of an amount equivalent to the amount which would otherwise have been transferred to the Transferee Plan pursuant to clause 28(e).

h) A Member to whom a payment is made pursuant to clause 28(g) shall not be entitled to any other benefit under the Fund and the Member’s receipt of the lump sum shall be a complete discharge to the Trustees of all liability to or in respect of the former Member under the Fund.

i) The Trustees shall transfer the full amount remaining in the Fund (after all transfers and lump sum payments have been effected pursuant to clauses 28(d), 28(e) and 28(g) and there are accordingly no longer any Members in the Fund) to the Transferee Plan, to be applied by the trustee of the Transferee Plan to an employer reserve account established for the Reformed Churches of New Zealand so as exclusively to fund:

   a. the ongoing provision of retirement benefits for former Members of the Fund who have transferred to the Transferee Plan; and

   b. the provision of retirement benefits to other Ministers and Missionaries of the Reformed Churches of New Zealand.

j) Any remaining property of the Fund (such as any moneys which come to hand after all the aforesaid allocations and payments have been made) shall be appropriated to such Christian
purpose or purposes as shall be decided by Synod PROVIDED THAT no part of the assets of
the Fund may revert to the General Synodical Fund of the Reformed Churches of New
Zealand or to any Employer on the winding up of the Fund without the prior written consent
of the Financial Markets Authority (which shall only be given if the Financial Markets Authority
is satisfied that there is no Member or other Dependant to whom a benefit arising from those
assets should be paid).

k) Any shortfall in the Fund shall subject to Clause 17 of this Deed be funded pro rata between
the transfers and payments to be made under paragraphs (d), (e) and (g) of this clause.

l) The Trustees shall, as soon as practicable, advise the Financial Markets Authority that the
distribution of assets in accordance with this clause has been completed.”

The parties acknowledge that this Deed may be executed in any number of counterparts
and that once the parties have executed the counterparts and each received a copy of each
signed counterpart, each counterpart shall be deemed as valid and binding on the party
executing it as if it had been executed by all the parties.

A party may execute a counterpart copy of this Deed by printing an electronic version and
executing the printed copy. If a party executes that copy and transmits the signed
execution page by facsimile or email to the other parties then, for the purposes of this
Deed, the transmission shall be deemed proof of signature of the original and the signed
counterpart shall be deemed an original.

Without limiting any other mode of delivery, the parties agree to allow delivery of this
Deed by transmission in electronic form, by any means of electronic communication
(including facsimile or email of a scanned copy), of an original of this Deed executed by a
party to the other party or its solicitors.

EXECUTED AS A DEED

Signed by Colin Andrew Young      Signed by Wayne Michael Kingham

in the presence of:                          in the presence of:

Name:                                          Name:
Occupation:                                    Occupation:
Address:                                       Address:
Report 1
Emeritus Fund

Signed by **Martin John Leenders**

___________________________

in the presence of:

___________________________

Name:
Occupation:
Address:

Signed by **Jacob Ploeg**

___________________________

in the presence of:

___________________________

Name:
Occupation:
Address:

Signed by **Michael Robert Willemse**

___________________________

in the presence of:

___________________________

Name:
Occupation:
Address:
Signed for and on behalf of the **Synod of the Reformed Churches of New Zealand**:

Signature: __________________________

Name: __________________________

Signature: __________________________

Name: __________________________

Signature: __________________________

Name: __________________________

in the presence of:

______________________________

Name:

Occupation:

Address:
THE REFORMED CHURCHES OF NEW ZEALAND EMERITUS FUND

Certificate under section 12(1)(b) of the Superannuation Schemes Act 1989

As solicitors to the Trustees of The Reformed Churches of New Zealand Emeritus Fund (Fund), we hereby certify that the Trust Deed of the Fund dated 23 June 1988 as amended by deeds dated 31 January 1999 and 19 December 2011, when amended as proposed by the draft Deed of Amendment attached to this certificate:

(a) will comply with section 7 of the Superannuation Schemes Act 1989 (Act); and

(b) will not contain any provision contrary to those implied by sections 8 to 10 of the Act.

The Deed of Amendment to which this certificate relates is yet to be executed.

Yours faithfully
Chapman Tripp

_______________________________
Mike Woodbury
Partner

Date: 2016
## Appendix 4 – Proposed Changes to Trust Deed Winding Up Clause

*Words shown in red and crossed out were in the original clause but have been removed or changed. Words shown in blue and underlined show the changes in the new clause.*

### Original wording

28. **WINDING UP**

In case Synod shall decide that the Fund ought not to continue and shall direct the Trustees in writing that the Fund shall be wound up or any order to the like effect shall be made by a Court of competent jurisdiction then subject to the provisions of such order the Fund shall be wound up in the following manner, namely:

- a) The assets of the Fund shall be realised.
- b) The liabilities of the Fund (other than contingent liabilities to Members) shall be discharged.
- c) All expenses incurred to the date of winding up including all fees payable to the Trustees and all other costs and expenses shall be paid and discharged.
- e) All Members who are in the service of the Reformed Churches of New Zealand at the time of such winding up shall be entitled to a pension purchased from a Life Insurance Company of good repute of an amount calculated according to the agreement on the transfer of superannuation entitlements reached between the Reformed Churches of Australia and the Reformed Churches of New Zealand being an amount as advised to the Trustees by the Synod from time to time.

### Amended wording

28. **WINDING UP**

If Synod shall decide that the Fund ought not to continue and shall direct the Trustees in writing that the Fund shall be wound up or any order to the like effect shall be made by a Court of competent jurisdiction then subject to the provisions of such order the Fund shall be wound up in the following manner, namely:

- a) The assets of the Fund shall be realised.
- b) The liabilities of the Fund (other than contingent liabilities to Members, which shall be discharged in accordance with paragraphs (d) to (h) below) shall be discharged.
- c) All expenses incurred to the date of winding up including all fees payable to the Trustees and all other costs and expenses shall be paid and discharged.
- d) The Trustees shall secure the wind-up benefit entitlement of each Member who is still in the service of the Reformed Churches of New Zealand, or who is a deferred pensioner of the Fund, by:
  - a. transferring to another retirement benefits plan made available by the Reformed Churches of New Zealand for the benefit of Members (Transferee Plan), in accordance with the requirements of the Act, an amount which the Actuary certifies is at least equivalent to the actuarial reserve held in the Fund in respect of that Member as at the effective date of the wind-up of the Fund; and
  - b. thereby entitling that Member to such rights and benefits under the Transferee Plan as have been agreed between the Reformed Churches of New Zealand and the trustee of the Transferee Plan.
d) All pensions then being paid by the Fund to Members or their Widows or Dependents shall be secured by the Trustees purchasing actuarially equivalent pensions from a Life Insurance Company of good repute.

e) The Trustees shall offer each Member who is a current pensioner of the Fund the opportunity to:
   a. transfer to the Transferee Plan, in accordance with the requirements of the Act, an amount which the Actuary certifies is at least equivalent to the actuarial reserve held in the Fund in respect of that Member as at the effective date of the wind-up of the Fund; and
   b. thereby become entitled to such rights and benefits under the Transferee Plan as have been agreed between the Reformed Churches of New Zealand and the trustee of the Transferee Plan.

f) A Member in respect of whom a transfer is made pursuant to clause 28(d) or clause 28(e) shall not be entitled to any other benefit under the Fund, the receipt of the transferred amount by the trustee of the Transferee Plan shall be a complete discharge to the Trustees of all liability to or in respect of the former Member under the Fund and the Trustees shall be under no liability to see to the application of the amount so transferred.

g) The Trustees shall pay to each Member who is a current pensioner of the Fund and does not accept the transfer offer made pursuant to clause 28(e) a lump sum of an amount equivalent to the amount which would otherwise have been transferred to the Transferee Plan pursuant to clause 28(e).

h) A Member to whom a payment is made pursuant to clause 28(g) shall not be entitled to any other benefit under the Fund and the Member’s receipt of the lump sum shall be a complete discharge to the Trustees of all liability to or in respect of the former Member under the Fund.
**Original wording**

f) Any remaining part of the Fund or moneys which come to hand after the aforesaid allocations have been made may be paid by the Trustees to any Member where the Trustees consider additional assistance is necessary PROVIDED THAT the approval of Synod shall be obtained in writing before any such payment may be made. Any remaining property of the Fund shall be appropriated to such Christian purpose or purposes as shall be decided by Synod PROVIDED THAT no part of the assets of the Fund may revert to the General Synodical Fund of the Reformed Churches of New Zealand or to any Employer on the winding up of the Fund without the prior written consent of the Government Actuary which shall only be given if the Government Actuary is satisfied that there is no Member or other Dependant to whom a benefit arising from those assets should be paid.

g) Any shortfall in the Fund shall subject to Clause 17 of this Deed be funded pro rata between the payments to be made under paragraphs (d) and (e) of this clause.

**Amended wording**

i) The Trustees shall transfer the full amount remaining in the Fund (after all transfers and lump sum payments have been effected pursuant to clauses 28(d), 28(e) and 28(g) and there are accordingly no longer any Members in the Fund) to the Transferee Plan, to be applied by the trustee of the Transferee Plan to an employer reserve account established for the Reformed Churches of New Zealand so as exclusively to fund:

a. the ongoing provision of retirement benefits for former Members of the Fund who have transferred to the Transferee Plan; and

b. the provision of retirement benefits to other Ministers and Missionaries of the Reformed Churches of New Zealand.

j) Any remaining property of the Fund (such as any moneys which come to hand after all the aforesaid allocations and payments have been made) shall be appropriated to such Christian purpose or purposes as shall be decided by Synod PROVIDED THAT no part of the assets of the Fund may revert to the General Synodical Fund of the Reformed Churches of New Zealand or to any Employer on the winding up of the Fund without the prior written consent of the Financial Markets Authority (which shall only be given if the Financial Markets Authority is satisfied that there is no Member or other Dependant to whom a benefit arising from those assets should be paid).

k) Any shortfall in the Fund shall subject to Clause 17 of this Deed be funded pro rata between the transfers and payments to be made under paragraphs (d), (e) and (g) of this clause.
Original wording

h) The Trustees shall, as soon as practicable, advise the Government Actuary that the distribution of assets in accordance with this clause has been completed.

Amended wording

l) The Trustees shall, as soon as practicable, advise the Financial Markets Authority that the distribution of assets in accordance with this clause has been completed.
Appendix 5 – Mercer’s Actuarial Certification

Reformed Churches of New Zealand Emeritus Fund
Actuarial Certification

Clause 28 of the Reformed Churches of New Zealand Emeritus Fund’s trust deed requires that the wind-up benefit entitlement of each Member is an amount which the Actuary certifies is at least equivalent to the actuarial reserve held in the Fund in respect of that Member as at the effective date of the wind-up of the Fund.

I, Mark Channon, as a Fellow of the New Zealand Society of Actuaries certify that:

i) I have prepared the schedule of wind-up benefit entitlements sent to the Trustees of the Reformed Churches of New Zealand Emeritus Fund on 20 April 2016.
ii) The total entitlements for all 32 beneficiaries total $1,834,868.63
iii) The wind-up benefit entitlement for each beneficiary is equal to the actuarial reserve held in the Fund in respect of that beneficiary as at 30 June 2016

To calculate the actuarial reserves, the assumptions used are a single scenario from a range of possibilities. The future is uncertain and actual experience will differ from the assumptions chosen; these differences may be significant or material. In addition, different assumptions or scenarios may also be within the reasonable range and entitlements based on those assumptions would be different. I have previously provided the trustees with the level of entitlements if an alternative set of assumptions were to be adopted.

The key assumptions adopted are:

a) Discount Rate
   The rate used is 6.25% p.a., net of investment expenses. This rate was derived by considering the benchmark asset composition of the Fund and the expected return for each asset class in the future. No provision for tax on investment income was made.

b) Mortality
   Pensioner liabilities were valued using the New Zealand Life Tables 2012 - 2014, with an adjustment made to the age of the pensioner. This adjustment was a deduction of one year to reflect the better life expectancies of members of a pension scheme compared to that of the general New Zealand population. We have also included a provision for improvements in mortality after the effective date of the tables.

c) Future Pension Increases
   Pensions are assumed to increase at a rate of 2.2% p.a.
To calculate the wind-up benefit entitlements I have relied on participant data provided by the Fund’s administrator. The data used is included in the schedule. We have reviewed the participant data for internal consistency and general reasonableness and believe it is suitable. We have not verified or audited any of the data or information provided. We have also relied upon the documents, including amendments, governing the scheme as provided by the Trustees. The Trustees are ultimately responsible for the validity, accuracy and comprehensiveness of this information. If the data or scheme provisions are not accurate and complete, the entitlements may differ significantly from the results that would be obtained with accurate and complete information; this may require a revision of the schedule.

Signature: [Signature]

Date: 20 April 2016
Appendix 6 – Trustees’ Wind Up Resolution

The Reformed Churches of New Zealand Emeritus Fund

Date: 2016

Background

A The Trustees act as the trustees of the the Reformed Churches of New Zealand Emeritus Fund (Fund), which is governed by a Trust Deed dated 23 June 1988 as amended by deeds dated 31 January 1999, 19 December 2011 and [ ] June 2016 (Trust Deed).

B Pursuant to Clause 28 of the Trust Deed, the Trustees must resolve to wind up the Fund if the Synod of the Reformed Churches of New Zealand (Synod) directs them in writing that the Fund is to be wound up.

C The Synod has directed the Trustees in writing that the Fund is to be wound up effective from the close of 30 June 2016 and a copy of the Synod’s direction is attached to these resolutions.

Resolutions

The Trustees hereby resolve:

(i) pursuant to Clause 18 of the Trust Deed, to wind up the Fund effective from the close of business on 30 June 2016;

(ii) to notify Fund members and the Financial Markets Authority (FMA) accordingly;

(iii) to do everything necessary to effect the dissolution of the Fund and the cancellation of its registration under the Superannuation Schemes Act 1989; and

(iv) that the Chairman of Trustees, [ ], be and is hereby authorised to sign on behalf of the Trustees all communications to Fund members and the FMA regarding the winding up of the Fund.

SIGNED by the Trustees:

________________________ ________________
[ ] [ ]

________________________
[ ]

Special Synod 2016
7 May 2016

To the sessions of the Reformed Churches of New Zealand

Dear brothers

In February 2016, the Trustees of the Reformed Churches of New Zealand Emeritus Fund (the Fund) wrote to the Synodical Interim Committee (SIC) advising that, due to significant changes in the legislative environment, they believed that the Fund was no longer a viable vehicle for providing for ministers and missionaries in their retirement. The Trustees asked the SIC to establish the Future Retirement Savings Committee (FRSC) to investigate alternative vehicles to replace the Fund. The SIC agreed to this request and appointed Colin Young (Convenor), Sarah Bryant, Wayne Kingham, Martin Leenders, Jacob Ploeg and Michael Willemse to form this committee. We are now writing to report on the outcome of our work and to recommend a way forward.

How should Churches provide for retirement savings in the future?

As a committee, we have done a great deal of work over the last three or so months and have considered a number of possible options including simply winding up the Fund, and diverting churches’ contributions to KiwiSaver (see next section). We have now come to the conclusion that the best way to continue to provide for ministers and missionaries in their retirement is to establish a new retirement savings fund (the New Fund) under a Master Trust (i.e. a multiple employer scheme operated by a professional financial services provider). Our reasons for this are:

- We can set our own simple and easily understood benefit design.
- We can establish membership rules wide enough to include missionaries serving overseas and ministers who are not NZ citizens, and flexible enough to cater for the movement of ministers and missionaries into and out of our denomination.
- A Master Trust is a relatively efficient savings vehicle – and it allows access to wholesale investments at comparatively low fees.
- In a fund of this sort savings are not locked in until retirement age. Leaving service benefits can be paid at any age, allowing us to preserve the flexibility we have under the current Fund.

What about KiwiSaver?

As part of our work, we canvassed ministers and missionaries currently in the service of the Churches and found that almost all were members of KiwiSaver. We considered whether the Churches should simply divert to KiwiSaver accounts (as top-ups) the contributions which they are currently paying to the Fund for ministers and missionaries. However, we rejected that option at this time for several reasons:

- The Fund is currently in a strong financial position having accumulated a sizeable surplus. Moving to KiwiSaver alone at this stage would not allow us to retain this surplus for the purpose of providing for ministers and missionaries in their retirement.
- Missionaries serving outside NZ are not eligible for KiwiSaver and this mechanism would not allow us to provide for them.
- Some ministers who come to us from overseas are also not eligible to join KiwiSaver and would therefore fall outside such an arrangement.
KiwiSaver is less flexible than a workplace savings scheme such as the Fund or the proposed New Fund, as (with limited exceptions) it locks members’ savings in until New Zealand superannuation age, whereas a workplace savings scheme can pay leaving service benefits at any age.

Having said that, KiwiSaver also has some advantages. It may be that KiwiSaver can provide the necessary retirement savings benefits for our ministers and missionaries at some point in the future. However, the FRSC does not anticipate KiwiSaver being a realistic option at least until the surplus is exhausted.

Recommendation

1. That Synod decides that future retirement savings will be provided by way of a retirement savings fund under a Master Trust. This fund to be known as The Reformed Churches of New Zealand Retirement Savings Fund.

Which Master Trust provider should we use?

There are currently around five (this number is somewhat fluid) Master Trust providers operating in NZ. The FRSC sought proposals from all of the major providers (AMP, SuperLife, ASB, Mercer and Fisher Funds) and carefully interviewed a shortlist of two (AMP and SuperLife). As a result we are recommending that our churches appoint SuperLife as our Master Trust provider.

The FRSC’s reasons for choosing SuperLife are:

- SuperLife is the 2nd largest Master Trust provider in NZ and we understand it is the fastest growing.
- SuperLife is a well-resourced and well-managed company wholly owned by NZX Limited, the shares of which are 37.2% owned by the Reserve Bank of New Zealand.
- SuperLife is confident that they are already in a position to comply with the new legislation.
- SuperLife’s annual administration fees and investment management fees are very competitive.
- SuperLife is independent of investment fund managers and holds investments at arm’s length. They can fire investment managers if they do not perform and hire others. (Copies of the SuperLife Investment Statement and Schedule are attached as Appendix 4 and 5.)
- SuperLife has made it easy to design flexibility into member benefits.
- SuperLife provides excellent member communication material so that members can easily track their retirement savings.

Master Trust arrangements are very portable. Should the Churches become unhappy with the performance of SuperLife it is an easy and inexpensive process to transfer from one provider to another.

The New Fund would be managed according to the rules we establish with SuperLife, who would be responsible for the day-to-day management of the New Fund and for complying with the Act.

Recommendation

2. That Synod appoints SuperLife Limited (SuperLife) as the manager and day-to-day administrator of The Reformed Churches of New Zealand Retirement Savings Fund

How will the New Fund work?

The proposed New Fund is an accounts-based retirement savings plan, where various investment accounts are held in the member’s name. It is part of a much larger Master Trust and much of the cost associated with its operation can be shared across many other plans established within the Master Trust. This makes for a much more efficient retirement savings vehicle in terms of administration and cost.

The New Fund will operate with two accounts for each member, i.e. a Member Account and an Employer Account. These are like two “KiwiSaver” style accounts that accumulate with interest and contributions. The balances of these accounts are invested and the investment returns are credited to the respective
accounts. They also have expenses and insurance deducted from them. When a member retires, they will get the balance of both of these accounts.

Members will get regular updates showing the transactions in the two accounts held in their name, enabling them to easily and conveniently monitor their investment. The manager (SuperLife) of the New Fund can also provide online access to their account via a login and password so that they can look up their details at any time.

Any of the amounts held in the Member Account will belong to the member – as of right – and will be payable in whatever circumstance they leave the employment of the church.

Contributions made by the Churches to the New Fund will go into each member’s Employer Account. Ministers and missionaries currently in the service of the Churches, and deferred pensioners will also be permitted to make their own voluntary contributions into their Member Account. Both the member’s Employer Account and their Member Account will be invested in the Churches’ choice of investments.

The main difference between the current Fund and the proposed New Fund relates to the base on which retirement benefits are calculated and paid. The present Fund is structured to provide a fixed pension amount for the life of a retired minister or missionary (i.e. it provides a defined benefit at retirement which is payable for life). The New Fund would be a defined contribution plan from which benefits would be paid as lump sums (i.e. the Churches’ contributions would be fixed and, at retirement, ministers and missionaries would receive the total of contributions and accumulated investment income less...
expenses). This is the same basis on which KiwiSaver (and virtually every other retirement savings scheme currently on offer to new joiners) works. Some key points to note in this regard are:

- Defined benefit schemes operate on the principle of unallocated funding – assets are not allocated to individual members, but are pooled together for all members’ benefit.
- In a defined contribution scheme, retirement benefits are simply based on accumulated contributions, together with allocated net investment earnings (and those contributions and earnings are allocated to an account maintained for each individual member).
- Defined benefit and defined contribution schemes feature different risks and rewards:
  - in a defined benefit scheme, the risks (generally investment returns and pensioner life expectancy) are mainly taken by the employer, but it receives the reward from any overfunding (in the form of reduced employer contributions); and
  - in a defined contribution scheme, members take investment risks (including as to poor or negative returns) but take the rewards from any investment outperformance.

The New Fund will pay tax on its investment earnings (the current Fund has a charitable purposes-based income tax exemption).

However, the FRSC has aimed at providing benefits under the New Fund which are comparable to or better than the existing benefits. We are also proposing that Churches’ contributions to the New Fund will take into account contributions already being made to KiwiSaver or a similar superannuation fund. Given the fundamental differences in design, an accurate “apples for apples” comparison is not possible. However, the recommended contribution rate by Churches is based on providing a sum at retirement equivalent to that provided by the current scheme assuming 20 or more years’ service.

As already mentioned, under the New Fund, a lump sum payment would be made at retirement rather than a pension. Members can mimic a pension by setting up a regular draw down (managed income) equal to what their pension would have been (or some other amount) from their SuperLife account rather than receiving their entitlement as a lump sum. This managed income would continue until the member’s accounts were exhausted.

A full description of the proposed plan design / benefit structure is shown in the table on pages 5 [3-23] through 7 [3-25]. A rationale for the church contribution levels is given on page 7 [3-26].

A comparison between the benefits of the Fund and the New Fund is included as Appendix 3. While every effort has been made to describe the benefits simply and accurately, the respective trust deeds are the legal documents which specify the benefits payable and the terms of those trust deeds prevail over the descriptions in this table.

<table>
<thead>
<tr>
<th>Item</th>
<th>Rule / Description</th>
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| Church Contributions* | If the church is making compulsory contributions to the member’s KiwiSaver or contributing a similar amount to the member’s other retirement savings:  
4 % of the minimum base stipend (currently $45,054)  
Plus  
1 % of the minimum base stipend, as a contribution to Fund expenses and life and disability insurance premiums.  
*******************************************************************************  
If the church is not otherwise contributing to the member’s retirement savings:  
8 % of the minimum base stipend  
Plus  
1 % of the minimum base stipend, as a contribution to Fund expenses and life and disability insurance premiums.  
(Note: Tax is deducted at the applicable ESCT rate from the church’s contribution whether it is paid into KiwiSaver, the old Fund or the New Fund). |
<table>
<thead>
<tr>
<th>Item</th>
<th>Rule / Description</th>
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<tbody>
<tr>
<td>Normal retirement benefit</td>
<td>Age 65</td>
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<td>Entitled to full balance held in the Member Account and Employer Account:</td>
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<td>Can be taken (at member’s discretion) as:</td>
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<td>- Lump sum or</td>
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<td>- Partial lump sum and/or</td>
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<td></td>
<td>- Regular draw down of capital until account is exhausted. This can be drawn down completely or partially with the balance left invested in the New Fund and drawn down at a rate set by the member – entirely at the member’s discretion (producing a pension-like payment after retirement).</td>
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<tr>
<td>Early retirement benefit*</td>
<td>As of right from age 60</td>
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<td></td>
<td>or</td>
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<td></td>
<td>At any time due to ill health with the consent of the employing church.</td>
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<td></td>
<td>Same benefit basis as for normal retirement - above.</td>
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<tr>
<td>Late retirement*</td>
<td>Allowed</td>
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<td></td>
<td>Church contributions continue while member in active service.</td>
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<td></td>
<td>Same benefit basis as for normal retirement - above.</td>
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<tr>
<td>Death or Total and Permanent Disablement</td>
<td>The full balance of the Member Account and</td>
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<tr>
<td>prior to Retirement*</td>
<td>The greater of:</td>
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<td></td>
<td>(i) A lump sum formula benefit of $7,500 per annum for every year remaining until the member’s 65th birthday – rounded to the nearest $500. This produces the following lump sums (of course the actual lump sum reduces each year, reaching $0 at age 65):</td>
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<tr>
<td></td>
<td><strong>Age</strong></td>
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<td>30</td>
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<td>60</td>
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<td>Or</td>
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<td>(ii) The full balance of the member’s Employer Account.</td>
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<tr>
<td>Death after Retirement</td>
<td>The balance of the Member and Employer Accounts not drawn down since retirement (if any) paid to the member’s estate and distributed according to the member’s will.</td>
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<tr>
<td>Item</td>
<td>Rule / Description</td>
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</tbody>
</table>
| Transfer to sister church* | Where a member leaves service in the Reformed Churches of New Zealand to take up service in a church with which we have ecumenical relations, they are eligible to receive the full balance of their Member Account or at their discretion leave it invested in the Fund. Members also have the following options, subject to the approval of the oversight committee:  
  - Freeze their Employer Account. Church contributions cease while the account is frozen but it will continue to attract an investment return and incur admin fees. Upon death or disablement the Member and Employer Accounts would be paid out only, as any insurance would cease upon leaving service. If the member re-joins the RCNZ as a minister or missionary the account is unfrozen and contributions begin again.  
  - They may transfer their Employer Account to their KiwiSaver account.  
  - They may transfer their Employer Account to an overseas superannuation account if this is possible and practical.  
  - They may elect to receive their Employer Account as a lump sum, under exceptional circumstances as determined by the oversight committee. |
| Withdrawal benefit* | The full balance of their Member Account  
Plus  
A portion (if any) of the balance in their Employer Account which is subject to vesting on the following basis: 6.25% of the member’s Employer Account for each complete year of service beyond nine years up to the full value of the member’s Employer Account. The table below shows what proportion of the member’s Employer Account they would receive based on the length of service in the RCNZ. |

<table>
<thead>
<tr>
<th>Years of service #</th>
<th>Portion of Employer Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>6.25 %</td>
</tr>
<tr>
<td>11</td>
<td>12.50 %</td>
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<tr>
<td>12</td>
<td>18.75 %</td>
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<td>13</td>
<td>25.00 %</td>
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<td>14</td>
<td>31.25 %</td>
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<td>16</td>
<td>43.75 %</td>
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<td>50.00 %</td>
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<tr>
<td>18</td>
<td>56.25 %</td>
</tr>
<tr>
<td>19</td>
<td>62.50 %</td>
</tr>
<tr>
<td>20</td>
<td>68.75 %</td>
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<tr>
<td>21</td>
<td>75.00 %</td>
</tr>
<tr>
<td>22</td>
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<td>23</td>
<td>87.50 %</td>
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<tr>
<td>24</td>
<td>93.75 %</td>
</tr>
<tr>
<td>25</td>
<td>100.00 %</td>
</tr>
</tbody>
</table>

* All of the design features marked with an asterisk in the New Fund are legally defined as “determined by the Organisation from time to time”. In other words, these are defined by decisions of our churches which are to be read in conjunction with SuperLife’s Deed of Participation and the Schedules pertaining to the New Fund (see Appendix 2). We have structured the design of the New Fund like this to enable Synod to make any necessary design changes in the future more easily and cost effectively. The proposed initial set of these rules is included as Appendix 1.
What is the rationale for the church contribution levels?
As already mentioned above, church contributions have been set so as to provide an equivalent benefit to members at retirement. For churches already contributing to KiwiSaver or an equivalent, 5% (4% + 1%) of the minimum base stipend equates to approximately the same amount as they are currently paying by way of Emeritus quota. For churches not contributing to their minister’s / missionary’s retirement savings, 9% (8% + 1%) of the minimum base stipend would equate to approximately the same amount as they would pay if the member were in KiwiSaver (compulsory contributions to KiwiSaver are based on the actual stipend which, in most cases, is markedly higher than the minimum base stipend on which New Fund contributions are based.)

It is also important to remember that a good part of a minister’s remuneration is not taken into account in KiwiSaver contributions because it is made up of things like tax free allowances, housing, vehicle, phone and internet and so on.

Recommendations
3. That Synod
   a. adopts the benefit design of The Reformed Churches of New Zealand Retirement Savings Fund as outlined in SuperLife’s Deed of Participation including Schedules (Appendix 2).
   b. adopts the membership rules of The Reformed Churches of New Zealand Retirement Savings Fund as outlined in the Table of Rules (Appendix 1)
   c. approves the entry into and execution of the SuperLife Deed of Participation (including Schedules 1.1, 2.1 and 3.1) with SuperLife Limited and SuperLife Trustee Limited.

What will happen to the surplus from the Fund once the New Fund is put in place?
We are proposing that the surplus from the Fund (after all beneficiaries have received their entitlements and all expenses have been paid) is transferred into an Employer Reserve Account in the New Fund. On current valuation of the Fund’s portfolio, this amount would come to around $366,000. This amount could then continue to be used to offset church contributions i.e. part or all of a church’s contribution would be funded from the Employer Reserve Account.

Based on the current membership, if the estimated surplus amount of $366,000 is used to fully fund church contributions, churches would not need to pay any contributions for the next 8 or so years.

Recommendations
4. That Synod agrees in principle to transfer the surplus from the Fund into an Employer Reserve Account in the New Fund.
5. That Synod decides that the Employer Reserve Account be used to fully fund church contributions to the New Fund until the Reserve Account is exhausted.

Oversight of the New Fund
The New Fund will be much lower maintenance from the RCNZ’s perspective. SuperLife will be responsible for the day-to-day management of the New Fund, including managing investments, collecting church contributions, reporting to members and complying with relevant legislation. Though this will result in substantially less work than managing the Fund, the FRSC recommends that we establish a small oversight committee to liaise with SuperLife, monitor the New Fund’s performance, manage member movements and queries, and report to Synod.

Recommendations
6. That Synod establishes an oversight committee for the New Fund “the Superannuation Committee,” and gives it the authority and responsibility to:
   a) Establish a Service Level Agreement (SLA) with SuperLife
   b) Manage the Rules of the New Fund
c) Liaise with SuperLife on behalf of the Churches  
d) Monitor the New Fund’s investment performance  
e) Choose the mix of investments used and update this as required  
f) Manage the movements of ministers and missionaries into and out of the New Fund  
g) Respond to enquiries from ministers and missionaries  
h) Report and make recommendations to Synod  
i) Make such other day to day operational decisions as are required  

7. That Synod appoint Colin Young (Convenor), Martin Leenders, Jacob Ploeg and Michael Willemse (Minister Liaison) to comprise this committee until the next synod.

Conclusion

We ask that, if sessions have particular queries, alternative suggestions or significant misgivings, that you communicate them to this committee as soon as possible and at least seven days before Synod so that we can take them into account in our presentation to Synod. We hope that this approach will help Synod to flow smoothly and contribute to unified decision making.

We are very thankful for the Lord’s leading through a very intense period as we have considered various options, approached providers, and formulated a benefit design. It is our view that the approach outlined and recommended in this report will enable our churches to continue to provide honourably for our ministers and missionaries.

After Synod has dealt with the recommendations outlined in the body of this report we have one final recommendation to make.

Recommendation

8. That Synod discharges the Future Retirement Savings Committee.

Yours in Christ

For and on behalf of
The Future Retirement Savings Committee

Colin Young – Chairman

Attached:

- Appendix 1 – Table of Rules (to be read alongside Appendix 2) Pages 10–12 [3-28]
- Appendix 2 – SuperLife Deed of Participation and Schedules Pages 13–25 [3-30]
- Appendix 3 – Old vs New Benefit Comparison Pages 26–30 [3-43]
- Appendix 4 – SuperLife Investment Statement (separate attachment) Separate [3-48]
- Appendix 5 – Schedule to the Investment Statement (to be read in conjunction with Appendix 4) Pages 32–33 [3-88]
- Appendix 6 – Samples of correspondence to members (separate attachment) Separate [3-90]
- Appendix 7 – Sample SuperLife Member Application (separate attachment) Separate [3-116]
- Appendix 8 – Sample SuperLife Employer Application (separate attachment) Separate [3-123]
Appendix 1 – Table of Rules (to be read alongside Appendix 2)

Membership

The following are eligible for membership in the RCNZ Retirement Savings Fund:

a. A Minister of the Reformed Churches of New Zealand who has been duly and lawfully ordained installed or appointed as a Minister of God’s Word for any Reformed Churches in New Zealand and who pursuant to such appointment takes up his office as such PROVIDED THAT a Minister in New Zealand for a temporary period and who is a member of a superannuation fund outside New Zealand shall not be a member.

b. A Missionary who has been duly and lawfully installed or appointed as a Missionary by any member church of the Reformed Churches of New Zealand and who pursuant to such appointment takes up his or her role as such PROVIDED THAT:

i. such Missionary is specifically designated a member of the Fund by the Reformed Churches of New Zealand Overseas Mission Board; and

ii. for whom contributions are paid by the calling church.

Employer Contributions

Where a church is making compulsory contributions to the member’s KiwiSaver or contributing a similar amount to the member’s other retirement savings, their contribution is set at 5% of the current minimum base stipend per annum.

Where a church is not otherwise contributing to the member’s retirement savings, they will contribute 9% of the current minimum base stipend per annum.

Church contributions to be remitted monthly.

Early Retirement Benefit

Members may resign as of right from age 60 and will be eligible for the normal retirement benefit. Death and Total Permanent Disablement insurance cover ceases at retirement.

Retirement Due to Ill Health

Members may retire at any time due to ill health with the consent of their employing church and will be eligible for the normal retirement benefit. Death and Total Permanent Disablement insurance cover ceases at retirement.

Late Retirement

Ministers may continue to work beyond normal retirement age. Church contributions will continue while they continue in active service.

Death / Total Permanent Disablement Benefits

Members are insured at a rate of $7,500 for each year of service remaining until their 65th birthday. This insurance amount is offset by the amount accumulated in the member’s Employer Account. i.e. the actual sum insured is the difference between the insured benefit and the balance of their Employer Account. The total amount a member would receive in the event of death or total permanent disablement is the total balance of their Member account and the greater of the death benefit or the full balance of their Employer account.

1 The Membership section is taken directly from the existing Trust Deed.
Indicative insured benefits at five yearly intervals are shown in the table below.

<table>
<thead>
<tr>
<th>Age</th>
<th>Death &amp; TPD Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>$262,500</td>
</tr>
<tr>
<td>35</td>
<td>$225,000</td>
</tr>
<tr>
<td>45</td>
<td>$150,000</td>
</tr>
<tr>
<td>50</td>
<td>$112,500</td>
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<tr>
<td>55</td>
<td>$75,000</td>
</tr>
<tr>
<td>60</td>
<td>$37,500</td>
</tr>
</tbody>
</table>

Transfer to a church in ecumenical relations

Where a member leaves service in the Reformed Churches of New Zealand to take up service in a church with which we have ecumenical relations, they are eligible to receive the full balance of their Member Account or at their discretion leave it invested in the Fund.

In respect of their Employer Account, Members also have the following options, subject to the approval of the Superannuation Committee:

- Freeze their Employer Account. Church contributions cease while the account is frozen but it will continue to attract an investment return and incur admin fees. Any death or disablement insurance would cease upon leaving service. If the member re-join the RCNZ as a minister or missionary the account is unfrozen, contributions begin again and insurance cover would resume.
- They may transfer their Employer Account to their KiwiSaver account.
- They may transfer their Employer Account to an overseas superannuation account if this is possible and practical.
- They may elect to receive their Employer Account as a lump sum, under exceptional circumstances as determined by the Superannuation Committee.

Vesting formula for the “Standard Termination Benefit.”

When a member ceases service within the Reformed Churches of New Zealand before age 60 and does not take up service in a church with which we have ecumenical relations, they will be eligible for a withdrawal payment as follows:

- The total accumulated in their Member account plus
- One sixteenth (6.25%) of their Employer account for each complete year of service beyond nine years up to the full amount of their Employer account.

Indicative rates are shown below:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Proportion of Employer account</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>6.25%</td>
</tr>
<tr>
<td>15</td>
<td>37.50%</td>
</tr>
<tr>
<td>20</td>
<td>68.75%</td>
</tr>
<tr>
<td>25</td>
<td>100.00%</td>
</tr>
<tr>
<td>30</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
SuperLife deed of participation

DEED dated the __ day of 2016

Parties
1. SuperLife Limited ("the Company")
2. SuperLife Trustee Limited ("the Trustee")
3. Reformed Churches of New Zealand ("the New Organisation")

Introduction
A. The Trustee is the trustee of SuperLife ("SuperLife") a registered superannuation scheme that is governed by a deed dated 21 June 2007 ("the Trust Deed") and offers superannuation benefits to its Members.
B. The New Organisation wishes to become an Organisation as defined in clause 4.0 of the Trust Deed for the purpose, inter alia, of facilitating the superannuation benefit arrangements for those of its Employees and members who join SuperLife.
C. By clause 19.0 of the Trust Deed, the Trustee may with the consent of the Company extend the benefits of SuperLife to Employees and members of an Organisation subject to the provisions of the Trust Deed.

This deed witnesses:

Definitions
1. Words and phrases defined in the Trust Deed have the same meanings when used in this deed.

Company consent to admission of New Organisation
2. The Company consents to the admission of the New Organisation as an Organisation under the Trust Deed.

Admission of New Organisation
3. The Trustee admits the New Organisation to participate in SuperLife as an Organisation with effect from 1 July 2016, and the New Organisation agrees with the Trustee that, as from that date, it will comply with and observe all the provisions of the Trust Deed (as they may subsequently be varied or replaced from time to time) so far as they may be applicable to it as an Organisation and to the same extent as if each of those provisions had been set out in full in this deed.

Admission of Associated Organisation
4. (a) By notice in writing to the Trustee by the New Organisation, the New Organisation may specify an Associated Organisation as participating in SuperLife as an "Organisation" and
the terms of this deed should apply mutatis mutandis to that Associated Organisation notwithstanding that the Associated Organisation has not executed this deed.

(b) From the date the Associated Organisation is admitted into SuperLife, new Employees of the Associated Organisation can become Members of SuperLife on the invitation of the Associated Organisation.

(c) Until subsequently varied, the terms of participation in SuperLife for any Employee of an Associated Organisation shall be the same as the terms set out in this deed and the Schedule appropriate to the affected Employee and references to the "Organisation" in the Schedules shall be deemed to be references to the "Associated Organisation" except in relation to the clauses titled "Organisation's Reserve Account" and "Amendment" PROVIDED THAT the Trustee may at the request of the Associated Organisation establish a reserve account under SuperLife in respect of the Associated Organisation to take effect after the date on which the Associated Organisation is admitted into SuperLife.

(d) If a Member's employment with the New Organisation or with an Associated Organisation changes to become employment with another Associated Organisation or with the New Organisation or vice versa, such a change of employment shall not be treated as leaving Service for the purpose of SuperLife.

(e) An Associated Organisation shall cease to participate in SuperLife so far as it relates to the New Organisation if:

(i) the Associated Organisation gives not less than one month's notice (or such shorter period of notice as the Trustee shall be willing to accept) in writing to the Trustee and the New Organisation that it intends to cease to contribute to SuperLife for any reason; or

(ii) the Associated Organisation is placed in liquidation or receivership (other than for the purposes of reconstruction or amalgamation); or

(iii) the New Organisation gives notice in writing to the Associated Organisation and the Trustee that the participation of the Associated Organisation shall cease at the end of such notice; or

(iv) the New Organisation ceases to be an Organisation under the Trust Deed in accordance with clause 12 of this Deed;

and upon any such cessation of the Associated Organisation's participation in SuperLife:

(v) the provisions of clauses 12 and 13 of this deed shall (mutatis mutandis) apply in respect of the Associated Organisation.

(vi) no Member employed by that Associated Organisation will be entitled to a portion of the New Organisation's Reserve Account, unless the New Organisation determines otherwise.

Schedule specifies contribution and benefit arrangements

5. The Trustee and the New Organisation agree that the contribution and benefit arrangements under SuperLife for Employees of the New Organisation who become Members shall be in accordance with the contribution and benefits schedule ("the Schedule") applicable to the Members from time to time and, initially, as attached to this deed.
Notification of amendments

6. The Trustee shall notify the New Organisation of any amendment to the Trust Deed that affects the obligations of an Organisation within a reasonable period before that amendment takes place. If such amendments alter the New Organisation’s obligations, the New Organisation may immediately terminate its participation in SuperLife by notice in writing to the Trustee. If the New Organisation terminates its participation in this way, the Members of the New Organisation shall become Individual Members as defined in the Trust Deed for the purpose of providing continuity of membership immediately following such termination.

Securing the benefits specified in the Schedule

7. The Trustee agrees in respect of a Member who is an Employee of the New Organisation to remit from SuperLife amounts required to secure benefits specified in the Schedule to the extent that the Trustee holds amounts to the credit of the Member in SuperLife.

The Organisation’s required contributions

8. (a) The Trustee and the New Organisation agree that the benefits provided to Members in terms of the Schedule are at least in part dependent on contributions that the New Organisation pays to SuperLife either on its own behalf or on behalf of the Members.

(b) If the New Organisation does not pay the contributions that are payable (or does not pay all of them) and if the Trustee decides that the benefits that are or might become payable to Members are or might be prejudiced by the New Organisation’s failure to pay the required contributions then:

(i) The Trustee shall advise all affected Members and shall be entitled to make such adjustments to any future amounts to be credited to the Members’ Accounts or to any other benefits provided through SuperLife on such basis as the Trustee determines will equitably distribute the effect of the New Organisation’s failure to pay contributions in respect of all Members affected by those decisions.

(ii) The Trustee shall notify all Members who are employees of the New Organisation including the affected Members of those adjustments.

Trustee’s liability limited

9. The Trustee’s liability to meet any obligations to all Members and other Beneficiaries entitled to benefits under SuperLife in terms of this deed and the Schedule, is limited to the total of any amounts that were contributed to SuperLife either by Members who are or were Employees of the New Organisation and/or by the New Organisation together with any investment income earned on those sums in SuperLife and amounts received in respect of any insurance arrangements applicable to such Members. The Trustee shall not be liable for the payment of any sum that exceeds such total.

Amendment by deed

10. The terms on which the New Organisation participates in SuperLife may be amended either by a deed between the New Organisation, the Trustee and the Company and that is supplementary to this deed or in accordance with the Schedule. The Trustee will ensure that the requirements of sections 9, 9A and 12 of the Superannuation Schemes Act 1989 are complied with when amending any of the provisions of this deed, including the Schedule.
Change of ownership

11. A change in ownership of the New Organisation or an Associated Organisation admitted under this deed shall not constitute a termination of membership of the affected employees of the New Organisation or the Associated Organisation in SuperLife and the membership of such Member shall continue until the participation in SuperLife is terminated pursuant to clause 4(e) or 12(b) of this deed or is amended under the provisions of clause 10 of this deed, as applicable.

Termination of participation

12. The New Organisation shall cease to be an Organisation under the Trust Deed:

(a) if the New Organisation is placed in liquidation or in receivership; or

(b) if the New Organisation gives not less than one month’s notice in writing to the Trustee that it shall cease to participate in SuperLife with effect from the date specified in such notice; or

(c) unless the Trustee decides otherwise, if the New Organisation ceases to contribute to SuperLife for any reason other than having no Members in Service.

Each Member shall then be entitled to receive a benefit payable as a cash lump sum equal to the sum of the Member’s Member Account, the Member’s Employer Account, and the Member’s Voluntary Account as at the date of payment.

Distribution of reserve account on liquidation or receivership

13. If the New Organisation ceases to be an Organisation in terms of clause 12(a) of this deed then:

(a) All expenses directly associated with the New Organisation’s ceasing to participate in SuperLife shall be paid out of the reserve account maintained in SuperLife by the Trustee in respect of the New Organisation.

(b) The balance of the reserve account shall then be distributed among the Members who are Employees of the New Organisation on a basis that is in proportion to the value as determined by the Trustee at the date of such application of the amounts of the benefits that those Members would have received under SuperLife had they been able to retire on the date of the withdrawal.

(c) The Trustee shall credit each Member’s share of such distribution to the Member’s Employer Account.

(d) If there is insufficient money in the reserve account maintained in respect of the New Organisation to meet the expenses referred to in sub-clause (a) then the Trustee shall deduct any expenses in excess of the amount in the reserve account on an equitable basis first from each Member’s Employer Account and then from each Member’s Member Account.
Execution by the parties

Executed by
SuperLife Limited
in its capacity as the
Company by:
____________________ director/authorised signatory

Witness: ______________ Signature
__________ Name
__________ Occupation
__________ Address

Executed by
SuperLife Trustee Limited
in its capacity as the
Trustee by:
____________________ director/authorised signatory

Witness: ______________ Signature
__________ Name
__________ Occupation
__________ Address

Executed by
Reformed Churches of New Zealand
in its capacity as the
New Organisation by:
____________________ authorised signatory

Witness: ______________ Signature
__________ Name
__________ Occupation
__________ Address
The Reformed Churches of New Zealand

Contribution & benefits schedule

Schedule 1.1 - Standard Member
Effective Date 1 July 2016

Background
This Schedule sets out the standard contribution and benefit provisions from the Effective Date, of the Organisation’s superannuation arrangements under the Employer Section of SuperLife (which are referred to as the “The Reformed Churches of New Zealand Retirement Savings Fund” and for this Schedule is called “the Plan”) for Employees of the Organisation who are not covered by the provisions of another Schedule.

Membership
An Employee becomes a Member automatically on the advice to that effect from the Organisation.

Normal retirement occurs at age 65. Where a Member continues in Service after age 65, the contribution and benefit provisions continue until they retire. Early retirement is permitted at the Member’s option, from age 60 or at any time due to ill-health as certified by the Organisation.

A Member ceases to be a standard Member on his leaving Service.

Contributions
- Member contributions
Members are not required to contribute. If they choose to contribute, they set their contribution rate subject to any rules that the Organisation sets from time to time. Regular contributions and any lump sum contributions accumulate in the Member’s Member Account.

- Organisation contributions
While the Member is in Service, the Organisation contributes in respect of the Member a contribution equal to such rate of the base stipend and on such basis, as the Organisation determines and advises the Member from time to time. The Organisation’s contribution rate includes ESCT. The Organisation’s contributions, net of ESCT, accumulate in the Member’s Employer Account.

Benefits
- termination of Membership
When a Member leaves Service and does not become an employee of an Associated Organisation or become employed by a sister organisation, and the Organisation advises that the Member is entitled to a termination benefit, the “Standard Termination Benefit” is equal to the total of the Member’s Member Account Balance plus such proportion of the Member’s Employer Account Balance. The proportion of the Member’s Employer Account balance is based on the formula determined by the Organisation and advised to the Members from time to time. The maximum proportion payable in respect of the Member’s Employer Account is 100%.

If the Member is leaving Service:

- ill health
  (a) As a result of ill health (as certified by the Organisation), the benefit payable is the Member’s Member Account and Employer Account (“Total Account Balances”).

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Special Synod 2016 3-35
- **retirement**  
  (b) By retiring, as advised by the Organisation, on or after attaining age 60, the benefit payable is the Member's Total Account Balances.

- **death**  
  (c) Because of death, the benefit payable is the Member's:
  
  (i) Total Account Balances; and
  
  (ii) Life Insurance Cover (if any); and
  
  (iii) Voluntary Death Insurance Cover (if any).

- **T&PD**  
  (d) As a result of his Total & Permanent Disablement ("T&PD"), the benefit payable is the Member's:
  
  (i) Total Account Balances; and
  
  (ii) Life Insurance Cover (if any); and
  
  (iii) Voluntary T&PD Insurance Cover (if any).

- **Sister organisation**  
  (e) As a result of taking up a position with a sister organisation (as certified by the Organisation), the Member will become a deferred beneficiary subject to the provisions of Schedule 3.1 and the benefit entitlement subject to Schedule 2, is the Member's Total Account Balances.

**Benefit payment options**

The Member can choose that any benefit payable from the Plan at the time that he leaves Service will be paid as a lump sum or retained within SuperLife and paid in the future as the Member chooses, including by way of a managed income, under the standard provisions of SuperLife.

**Access**

A Member can withdraw some or all of the Member's Member Account Balance at any time under the standard access provisions of SuperLife.

**Insurances**

- **Life Insurance**
  
  - **cover:** In respect of a Member, the Life Insurance Cover is such other amount determined by the Organisation and advised to the Member from time to time.
  
  - **premium:** The premium for the Life Insurance Cover in respect of a Member is deducted from the Member's Employer Account Balance.

- **Voluntary insurances**
  
  - **cover:** A Member can, at any time, take out voluntary insurance cover and benefits, from the range of options available under SuperLife. The terms and conditions of the voluntary insurances are set out in the insurance contracts of SuperLife.
  
  - **premium:** The premiums for the voluntary insurances will be deducted from the Member's Voluntary Account Balance or paid by the Member by way of a specific voluntary contribution. If there is insufficient money in the Member's Member Account, the Member will be required to make sufficient voluntary contributions to meet the premiums.
**Investment options**

The standard SuperLife investment options apply.

- **default**
  
  The default investment option, if the Member does not make an election, is the AIM^510^ option. The default investment option is as decided by the Organisation from time to time.
Administration fees
The SuperLife administration fees payable from time to time, will be deducted from the Member’s Employer Account. If there is insufficient money in the Member’s Employer Account, the fees shall be deducted from first, the Member’s Member Account, followed by his Voluntary Account.

The SuperLife administration fees payable from time to time in respect of any voluntary insurance benefits will be added to the insurance premium for the voluntary insurance cover.

Organisation’s Reserve Account
Amounts not paid or payable to a Member on leaving Service will accumulate in the Organisation’s Reserve Account in the Plan. The Organisation shall decide how the Organisation’s Reserve Account is invested from the standard SuperLife investment options. The default investment option, if the Organisation does not decide is the Cash Fund. The Organisation shall decide how amounts in the Organisation’s Reserve Account are spent including payment of the Organisation’s contribution subsidy to the Plan, the cost of the Organisation provided insurances, the Plan’s administration fee and other permitted purposes.

Definitions
Words and expressions defined in the Trust Deed and in the “Standard SuperLife Definitions” attached to this Schedule have the same meanings in this Schedule. In addition, the following special definitions apply under the Plan for the purposes of this Schedule.

“Organisation” means The Reformed Churches of New Zealand and includes, as appropriate, its subsidiary and associated organisations.

Amendment
This Schedule can be changed by agreement between the Organisation and SuperLife, but subject to the requirements of the Superannuation Schemes Act 1989.
The Reformed Churches of New Zealand

Contribution & benefits schedule

**Schedule**
2.1 – Pensioners

**Effective Date**
1 July 2016

**Background**
This schedule sets out the contribution and benefit provisions of the Organisation’s arrangements under the Organisation Section of SuperLife (which for this Schedule is called the “Plan”) from the Effective Date for the pensioners of the former Reformed Churches of New Zealand Emeritus Fund ("the Emeritus Fund") who joined on 1 July 2016 under the terms of an offer made to them by the Organisation. As of 1 July 2016, the Emeritus Fund was governed by a trust deed of 23 June 1988 as subsequently amended ("Emeritus Deed").

**Membership**
This schedule relates only to the pensioners of the Emeritus Fund who joined the Plan effective 1 July 2016 and who authorised the payment of their entitlement under the Emeritus Fund to the Plan. The amount received from the Emeritus Fund in respect of the Member and representing the Member’s entitlement under the Emeritus Fund, is paid into the Member’s Member Account.

The Member ceases to be a Member on his death or when the Member’s Member Account balance is nil.

**Contributions**
- **Member contributions**
The Member is not required to contribute to the Plan. The Member may contribute on a voluntary basis either by lump sums or, by direct debit, regular contributions. The Member can change the level of regular voluntary contributions at any time. Voluntary contributions accumulate in the Member’s Member Account.

- **Organisation contributions**
The Organisation does not contribute to the Plan in respect of a Member.

**Benefits**
- **access**
A Member can withdraw some or all of his Member Account Balance at any time under the standard access provisions of SuperLife.

- **death**
On the death of the Member the benefit payable is equal to the balance in the deceased Member’s Member Account.

**Investment options**
The standard SuperLife investment options apply to the Member’s Member Account.

- **default**
The default investment option, if the Member does not make an election, is the AIM<sup>Step</sup> option. The default investment option is as decided by the Trustee from time to time.

**Administration fees**
The SuperLife administration fees will be deducted from the Members’ Member Account.
Definitions

Words and expressions defined in the Trust Deed and in the "Standard SuperLife Definitions" attached to this Schedule have the same meanings in this Schedule. In addition, the following special definitions apply under the Plan for the purposes of this Schedule.

"Organisation" means The Reformed Churches of New Zealand and includes, as appropriate, its subsidiary and associated organisations.

Amendment

This Schedule can be changed by agreement between the Organisation and SuperLife, but subject to the requirements of the Superannuation Schemes Act 1989.
The Reformed Churches of New Zealand

Contribution & benefits schedule

Schedule 3.1 – Deferred beneficiaries

Effective Date 1 July 2016

Background This schedule sets out the contribution and benefit provisions of the Organisation’s arrangements under the Organisation Section of SuperLife (which for this Schedule is called the “Plan”) from the Effective Date for the deferred beneficiaries arising under the Plan and the deferred beneficiaries of the former Reformed Churches of New Zealand Emeritus Fund (“the Emeritus Fund”) who joined on 1 July 2016 under the terms of an offer made to them by the Organisation. As of 1 July 2016, the Emeritus Fund was governed by a trust deed of 23 June 1988 as subsequently amended (“Emeritus Deed”).

Membership This schedule relates only to the deferred beneficiaries of the Emeritus Fund who joined the Plan effective 1 July 2016 and who authorised the payment of their entitlement under the Emeritus Fund to the Plan, and subsequent deferred beneficiaries. The amount received from the Emeritus Fund in respect of the Member and representing the Member’s entitlement under the Emeritus Fund, is paid into the Member’s Employer Account.

The Member ceases to be a Member on his death.

Contributions
- Member contributions

The Member is not required to contribute to the Plan. The Member may contribute on a voluntary basis either by lump sums or, by direct debit, regular contributions. The Member can change the level of regular voluntary contributions at any time. Voluntary contributions accumulate in the Member’s Member Account.

- Organisation contributions

The Organisation does not contribute to the Plan in respect of a Member.

Benefits
- retirement

A Member under this Schedule shall be eligible to receive a benefit equal to the balance of the Member’s Employer Account and Member Account upon the earlier of attaining age 60 and suffering ill-health as certified by the Organisation.

- access

A Member can withdraw some or all of his Member Account Balance at any time under the standard access provisions of SuperLife.

- death

On the death of the Member the benefit payable is equal to the balance in the deceased Member’s Member Account and Employer Account.

Investment options

The standard SuperLife investment options apply to the Member’s Member Account.

- default

The default investment option, if the Member does not make an election, is the AIM®estr® option. The default investment option is as decided by the Trustee from time to time.
Administration fees
The SuperLife administration fees will be deducted from the Members’ Employer Account and if there is insufficient money in the Member’s Employer Account from the Member’s Member Account.

Definitions
Words and expressions defined in the Trust Deed and in the “Standard SuperLife Definitions” attached to this Schedule have the same meanings in this Schedule. In addition, the following special definitions apply under the Plan for the purposes of this Schedule.

“Organisation” means The Reformed Churches of New Zealand and includes, as appropriate, its subsidiary and associated organisations.

Amendment
This Schedule can be changed by agreement between the Organisation and SuperLife, but subject to the requirements of the Superannuation Schemes Act 1989.
Appendix 3 – Old vs New Benefit Comparison

The table below provides a comparison between the Reformed Churches of NZ Emeritus Fund (the Fund) with the proposed new Reformed Churches of NZ Retirement Savings Fund (the New Fund).

<table>
<thead>
<tr>
<th>Description</th>
<th>Old</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund type</td>
<td>Defined Benefit</td>
<td>Accumulation – or defined contribution. Members have an Employer Account and Member Account opened in their name. Upon retirement members get the balance of both of these accounts.</td>
</tr>
<tr>
<td>Member contributions</td>
<td>Not permitted.</td>
<td>Members may make voluntary contributions to their Member Account when and if they wish.</td>
</tr>
<tr>
<td>Church Contributions*</td>
<td>Whatever is needed to fund the benefits promised. Requires complex actuarial calculations and high compliance and management costs.</td>
<td>If the church is making compulsory contributions to the member’s KiwiSaver or contributing a similar amount to the member’s other retirement savings: 4 % of the minimum base stipend (currently $45,054) Plus 1 % of the minimum base stipend, as a contribution to Fund expenses and life and disability insurance premiums. Paid into the Employer Account.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Note: Tax is deducted at the applicable ESCT rate from the church’s contribution whether it is paid into KiwiSaver, the old Fund or the New Fund).</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td><strong>Old</strong></td>
<td><strong>New</strong></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Normal retirement benefit</td>
<td>Age 65</td>
<td>Age 65</td>
</tr>
<tr>
<td></td>
<td>A pension of $203.13 per week for each 30 years of service</td>
<td>Entitled to full balance held in the Member Account and Employer Account:</td>
</tr>
<tr>
<td></td>
<td>Up to 25% may be taken as a lump sum and the pension reduced accordingly.</td>
<td>Can be taken (at member’s discretion) as:</td>
</tr>
<tr>
<td></td>
<td>Continuing pension of 80% for spouse if member dies.</td>
<td>- Lump sum or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Partial lump sum and/or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Regular draw down of capital until account is exhausted. This can be drawn down completely or partially with the balance left invested in the Fund and drawn down at a rate set by the member – entirely at the member’s discretion (producing a pension-like payment after retirement).</td>
</tr>
<tr>
<td>Early retirement benefit*</td>
<td>As of right from age 50 with Employer consent.</td>
<td>As of right from age 60</td>
</tr>
<tr>
<td></td>
<td>Actuarially reduced pension based on length of service but recognising the pension will be paid over a longer period.</td>
<td>or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At any time due to ill health with the consent of the employing church.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Same benefit basis as for normal retirement above.</td>
</tr>
<tr>
<td>Late retirement*</td>
<td>Allowed</td>
<td>Allowed</td>
</tr>
<tr>
<td></td>
<td>Quota contributions continue while member in active service.</td>
<td>Church contributions continue while member in active service.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Same benefit basis as for normal retirement above.</td>
</tr>
<tr>
<td>Description</td>
<td>Old</td>
<td>New</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Death or Total and Permanent Disablement *</td>
<td>A pension payable to the widow or surviving dependents of at least $80 per week until the widow dies or re-marries.</td>
<td>The full balance of the Member Account and The greater of: (i) A lump sum formula benefit of $7,500 per annum for every year remaining until the member’s 65th birthday – rounded to the nearest $500. This produces the following lump sums (the lump sum reduces by $7,500 each year, reaching $0 at age 65):</td>
</tr>
<tr>
<td>prior to Retirement</td>
<td>Plus a lump sum from the following table:</td>
<td>(ii) The full balance of the member’s Employer Account.</td>
</tr>
<tr>
<td>Age</td>
<td>Lump Sum</td>
<td>Age</td>
</tr>
<tr>
<td>&lt;29</td>
<td>$212,000</td>
<td>30</td>
</tr>
<tr>
<td>30–32</td>
<td>$184,000</td>
<td>35</td>
</tr>
<tr>
<td>33–35</td>
<td>$155,000</td>
<td>40</td>
</tr>
<tr>
<td>36–38</td>
<td>$127,000</td>
<td>45</td>
</tr>
<tr>
<td>39–41</td>
<td>$99,000</td>
<td>50</td>
</tr>
<tr>
<td>42–44</td>
<td>$71,000</td>
<td>55</td>
</tr>
<tr>
<td>45–47</td>
<td>$56,000</td>
<td>60</td>
</tr>
<tr>
<td>48–50</td>
<td>$42,000</td>
<td>Or</td>
</tr>
<tr>
<td>51–53</td>
<td>$28,000</td>
<td></td>
</tr>
<tr>
<td>54–56</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>57–59</td>
<td>$21,000</td>
<td></td>
</tr>
<tr>
<td>60–62</td>
<td>$16,000</td>
<td></td>
</tr>
<tr>
<td>63–64</td>
<td>$14,000</td>
<td></td>
</tr>
<tr>
<td>Death after Retirement</td>
<td>Widow of emeritus pensioner receives 80% of the pension until death or remarriage.</td>
<td>The balance of the Member and Employer Accounts not drawn down since retirement (if any) paid to the member’s estate and distributed according to the member’s will.</td>
</tr>
</tbody>
</table>
### Description | Old | New
--- | --- | ---
Transfer to sister church* | Deferred pension based on years of service in RCNZ paid when the member reaches age 65. | Where a member leaves service in the Reformed Churches of New Zealand to take up service in a church with which we have ecumenical relations, they are eligible to receive the full balance of their Member Account or at their discretion leave it invested in the Fund.

In respect of their Employer Account, Members also have the following options, subject to the approval of the oversight committee:

- **Freeze** their Employer Account. Church contributions cease while the account is frozen but it will continue to attract an investment return and incur admin fees. Upon death or disablement the Member and Employer Accounts would be paid out only, as any insurance would cease upon leaving service. If the member re-joins the RCNZ as a minister or missionary the account is unfrozen and contributions begin again.
- **They may transfer** their Employer Account to their KiwiSaver account.
- **They may transfer** their Employer Account to an overseas superannuation account if this is possible and practical.
- **They may elect** to receive their Employer Account as a lump sum, under exceptional circumstances as determined by the oversight committee.
<table>
<thead>
<tr>
<th>Description</th>
<th>Old</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawal benefit*</td>
<td>No withdrawal benefit for members with less than 10 years cumulative service.</td>
<td>The full balance of their Member Account Plus</td>
</tr>
<tr>
<td></td>
<td>The Trustees may elect to pay:</td>
<td>A portion (if any) of the balance in their Employer Account which is subject to vesting on the following basis: 6.25% of the member’s Employer Account for each complete year of service beyond nine years up to the full value of the member’s Employer Account. The table below shows what proportion of the member’s Employer Account they would receive based on the length of service in the RCNZ.</td>
</tr>
<tr>
<td></td>
<td>- A lump sum of a synodically determined amount – currently 30% of normal benefit for those with more than 10 years’ service.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- A deferred pension payable at retirement.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- An actuarially reduced pension deferred until the member is aged between 60 and 64</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Years of service #</th>
<th>Portion of Employer Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>6.25 %</td>
</tr>
<tr>
<td>11</td>
<td>12.50 %</td>
</tr>
<tr>
<td>12</td>
<td>18.75 %</td>
</tr>
<tr>
<td>13</td>
<td>25.00 %</td>
</tr>
<tr>
<td>14</td>
<td>31.25 %</td>
</tr>
<tr>
<td>15</td>
<td>37.50 %</td>
</tr>
<tr>
<td>16</td>
<td>43.75 %</td>
</tr>
<tr>
<td>17</td>
<td>50.00 %</td>
</tr>
<tr>
<td>18</td>
<td>56.25 %</td>
</tr>
<tr>
<td>19</td>
<td>62.50 %</td>
</tr>
<tr>
<td>20</td>
<td>68.75 %</td>
</tr>
<tr>
<td>21</td>
<td>75.00 %</td>
</tr>
<tr>
<td>22</td>
<td>81.25 %</td>
</tr>
<tr>
<td>23</td>
<td>87.50 %</td>
</tr>
<tr>
<td>24</td>
<td>93.75 %</td>
</tr>
<tr>
<td>25</td>
<td>100.00 %</td>
</tr>
</tbody>
</table>

# cumulative service in RCNZ

* All of the design features marked with an asterisk in the New Fund are legally defined as “determined by the Organisation from time to time”. We have structured the design of the New Fund like this to enable Synod to make any necessary design changes in the future more easily and cost effectively.

Some of the benefits in the old Fund are also legally defined as “determined by Synod”.

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Special Synod 2016
INVESTMENT STATEMENT
SUPERLIFE SUPERANNUATION SCHEME (AS/1068)

For employees of the "Company" specified in the schedule of this investment statement ("Schedule") who join SuperLife on or after the later of the Effective Date as specified in the Schedule ("Effective Date") or on 18 March 2016, the date on which this investment statement was prepared, as a Member of the arrangements referred to as the "Plan" as defined in the Schedule.

1. Important information
   (The information in this section is required under the Securities Act 1978.)

   Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

1.1 Choosing an investment
   When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

<table>
<thead>
<tr>
<th>Question</th>
<th>Pages/Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>What sort of investment is this?</td>
<td>4 to 7</td>
</tr>
<tr>
<td>Who is involved in providing it for me?</td>
<td>7 to 8</td>
</tr>
<tr>
<td>How much do I pay?</td>
<td>8 &amp; S4 &amp; S5</td>
</tr>
<tr>
<td>What are the charges?</td>
<td>9 to 11 &amp; S6</td>
</tr>
<tr>
<td>What returns will I get?</td>
<td>11 to 33 &amp; S7 to S18</td>
</tr>
<tr>
<td>What are my risks?</td>
<td>28 to 33</td>
</tr>
<tr>
<td>Can the investment be altered?</td>
<td>33</td>
</tr>
<tr>
<td>How do I cash in my investment?</td>
<td>33 &amp; S20</td>
</tr>
<tr>
<td>Who do I contact with enquiries about my investment?</td>
<td>34</td>
</tr>
<tr>
<td>Is there anyone to whom I can complain if I have problems with the investment?</td>
<td>34</td>
</tr>
<tr>
<td>What other information can I obtain about this investment?</td>
<td>34</td>
</tr>
</tbody>
</table>

1.2 In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

1.3 The Financial Markets Authority regulates conduct in financial markets
   The Financial Markets Authority regulates conduct in New Zealand’s financial markets. The Financial Markets Authority’s main objective is to promote and facilitate the development of fair, efficient and transparent financial markets.

   For more information about investing, go to www.fma.govt.nz.

1.4 Financial advisers can help you make investment decisions
   Using a financial adviser cannot prevent you from losing money, but it should be able to help you make better investment decisions.

1.5 Financial advisers are regulated by the Financial Markets Authority to varying levels, depending on the type of adviser and the nature of the services they provide. Some financial advisers are only allowed to provide advice on a limited range of products.

1.6 When seeking or receiving financial advice, you should check:
   - the type of adviser you are dealing with;
   - the services the adviser can provide you with;
   - the products the adviser can advise you on.

1.7 A financial adviser who provides you with personalised financial adviser services may be required to give you a disclosure statement covering these and other matters. You should ask your adviser about how he or she is paid and any conflicts of interest he or she may have.

1.8 Financial advisers must have a complaints process in place and they, or the financial services provider they work for, must belong to a dispute resolution scheme if they provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.

1.9 Most financial advisers, or the financial services provider they work for, must also be registered on the financial service providers register. You can search for information about registered financial service providers at www.fsp.govt.nz.
1.10 You can also complain to the Financial Markets Authority if you have concerns about the behaviour of a financial adviser.

2. **Key information**

2.1 This key information section provides only a snapshot of the interest that is being offered to you in SuperLife under the Plan from the Effective Date, or from the date of this investment statement, if later. The main terms of the offer, the benefits and risks summarised below are not exhaustive. You should read the entire investment statement and the prospectus to understand all the terms of the interest that is being offered to you.

2.2 **Nature of the offer**

The investment being offered is an interest in SuperLife. SuperLife is a registered superannuation scheme (AS/1068) under the Superannuation Schemes Act 1989 (“Act”) and is governed by its trust deed and the Act. All contributions and benefit payments are subject to the trust deed. SuperLife is also referred to as "SLSS".

2.3 More information is on pages 4 to 7.

2.4 **Parties involved in the offer**

The manager of SuperLife is SuperLife Limited (“we, our, us, Manager”). We are also the investment manager of SuperLife (“Investment Manager”) and responsible for investing the assets of SuperLife. We are also the promoter of SuperLife. Our directors are also promoters.

2.5 The trustee of SuperLife is SuperLife Trustee Limited (“Trustee”). The Trustee is the issuer of the securities.

2.6 More information is on pages 7 to 8.

2.7 **Contributions to SuperLife**

As an employee of the Company, the regular contributions that you make, if any, are as set out in the Schedule.

2.8 Your contributions that are subsidised by the Company go into an investment account under SuperLife in your name ("Member Account"). You may also have an account for any additional unsubsidised savings you make. These savings will go into an investment account under SuperLife in your name ("Voluntary Account").

2.10 Your employer contributes at a rate or on the basis specified in the Schedule. The employer contributions will go into an investment account under SuperLife in your name ("Employer Account").

2.11 Collectively, your Member Account Employer Account and Voluntary Account are known as your "SuperLife Accounts".

2.12 More information is on page 8.

2.13 **Insurances**

Your employer may choose to provide standard insurance benefits - life insurance and/or disability income insurance and/or medical insurance, as specified in the Schedule as part of your Plan.

2.14 Separate to any standard insurance benefits, you can also choose to have an additional insurance benefit for yourself and your family, but you have to pay the premium and insurance administration fees for the insurance, in addition to any savings you make. With our agreement, and subject to the rules set by your employer, (if any), you can meet the premiums by deduction from your SuperLife Accounts.

2.15 The medical insurance can be extended to include your family.

2.16 The insurances are underwritten by an insurance company. We can change the insurer(s) at any time.

2.17 More information is on pages 27 to 28.

2.18 **Withdrawals (benefits) from SuperLife**

You can choose, subject to your employer’s arrangements (if any), to receive a benefit at any time by making a withdrawal from your SuperLife Accounts. Under current legislation, the benefit is paid tax-free. You also decide how it is to be paid. You can choose to have your benefit paid as:

- a cash lump sum, or
2.19 If you become entitled to a benefit under
your employer arrangements, you can leave
your money in SuperLife and take
withdrawals when required. You can also
continue to save.

2.20 To receive a benefit, you need to complete a
"benefit payment request" form. There is no
minimum amount that you have to take out,
but we can impose a minimum. We will pay
your benefit to the bank account that you
nominate.

2.21 If you die, we will pay your savings and
insurances (if any) to the person you have
nominated, so you need to make sure your
nomination is kept up to date. You can
nominate more than one person, but then
you have to say the proportion each should
receive. We must pay it to the people you
nominate. However, we can delay payment
if we are aware that your benefit might be
subject to a claim under the Property

2.22 More information is on pages 26 to 28.

2.23 Investment options
SuperLife provides a range of investment
options for you to choose from, for the
investments of your SuperLife Accounts.
The options include a range of “Funds” and
several standard combinations of the Funds
(“Mixes”).

2.24 SuperLife has 42 Funds. 13 Funds are
asset type or sector options (cash, bonds,
property and shares) (“Sector Funds”), 5
have managed investment strategies
across the different Sector Funds
(“Managed Funds”), 23 are exchange traded
funds (“ETF Funds”) and 1 is an ethical
investment option (“Ethical Fund”).

2.25 You can combine the different Funds to
make your investment strategy, or choose
one of the Mixes as your investment
strategy (“Investment Strategy”). You can
have different Investment Strategies for
each of your SuperLife Accounts and also
change your Investment Strategy at any
time, and there is no charge for doing so.

2.26 At times throughout the year (normally
monthly), we will rebalance your SuperLife
Accounts to your Investment Strategy. This
happens automatically unless you tell us
not to. This way the investment of your
SuperLife Accounts is consistent with your
Investment Strategy.

2.27 More information is on pages 12 to 26.

2.28 Fees and charges
The key fees you pay are the administration
fees, trustee/governance fees and the
investment management fees.

2.29 Administration fees: The administration fees
are made up of a dollar-based fee and a
percentage of assets fee.

2.30 The dollar-based fee unless specified in the
Schedule is a net $33 savings fee (if you
have a savings balance) and a net $33 fee
for each insurance benefit you have
(excluding a medical insurance benefit).
Each of the $33 fees are charged at $2.75 a
month or at such other rate and frequency
as we decide. The equivalent gross of tax
amounts are paid to us.

2.31 The percentage of assets fee is 0.20% a
year (20 cents in each $100) of the money
in your SuperLife Accounts. The fees are
paid to us.

2.32 Trustee fees/governance costs: The
governance costs are the actual costs
incurred by the Trustee, or on behalf of the
Trustee, in fulfilling its fiduciary
responsibilities and include the compliance
costs of SuperLife. The compliance costs
of SuperLife include costs such as audit
and regulatory levies. These costs are
deducted from the total SuperLife assets
before the investment returns are credited
to your SuperLife Accounts and are paid
directly to the service suppliers/regulatory
authorities.

2.33 Investment management fees: The
investment management fee ranges from
0.13% p.a. of assets to 0.55% p.a. of assets
depending on your Investment Strategy. If you choose a Managed Fund, the investment management fee is in the range of 0.17% to 0.27% p.a. of the assets.

2.34 The asset-based fees are deducted from the investment returns before the returns are credited to your SuperLife Accounts. Therefore the asset-based fees, net of tax are indirectly incurred by you.

2.35 Transaction fees: There are currently no entry fees, exit fees, or charges for withdrawals or for switching between the investment options. However, we reserve the right to charge a benefit payment fee or a transaction fee when you move your money from one Fund to another.

2.36 More information is on pages 9 to 11.

2.37 Tax
SuperLife is a portfolio investment entity ("PIE"). As a PIE, we deduct tax from the investment returns allocated to you at your prescribed investor rate ("PIR"). The current PIRs are 10.5%, 17.5% and 28%.

2.38 Any employer contributions to the Plan for your benefit are subject to a withholding tax called employer superannuation contribution tax ("ESCT") which is deducted from those contributions before the net amounts are paid to the Plan.

2.39 More information is in paragraphs 5.6 to 5.11, and paragraphs 7.14 and 14.

2.40 Risks
Your investment in SuperLife is exposed to the normal market risks (investment, economic and currency) relevant to your Investment Strategy. These risks affect most superannuation schemes and managed investment funds.

2.41 In addition, there are risks that the Government changes the rules that relate to superannuation and also third party risks. The third party risks include the risk that you get back less than you expect because of a failure; in our performance, the Trustee, or one of the ultimate investment managers appointed to manage the assets of the Funds and Mixes, or the investment managers of the underlying funds.

2.42 More information is on pages 28 to 33.

2.43 Other factors
We are owned by NZX Limited ("NZX Limited"). NZX Limited is also the operator of the New Zealand Stock Exchange ("NZSE").

2.44 MCA NZ Limited ("MCA") is a subsidiary company of Aventine Group Limited. MCA is the investment consultant for SuperLife ("Investment Consultant"). MCA's fees are met from our fees and are not additional to the fees and charges you pay.

2.45 We are a separate entity to MCA, but the directors of MCA are also our directors.

2.46 The Trustee of SuperLife is independent of us and MCA.

2.47 Some of the investments of SuperLife are invested in ETFs managed by Smartshares Limited ("Smartshares"). Smartshares is a subsidiary of NZX Limited. The fees of Smartshares are included in the investment management fees set out in paragraph 6.1(c).

3. What sort of investment is this?

3.1 You are offered membership in a registered superannuation scheme known as "SuperLife" which provides retirement and other benefits to people who join.

3.2 SuperLife is a trust and was established on 1 November 1993. It is an allocated superannuation scheme, registered by the Financial Markets Authority under the Superannuation Schemes Act 1989. Its registration number is AS/1068

3.3 The contributions and benefits described in this investment statement and in the Schedule relate to you if you are an employee of the Company who joins SuperLife under the provisions of this investment statement. While you remain an employee of the Company, you are referred
to as an “Employee Member”. The contributions and benefits, while you are an Employee Member, are referred to as the “Plan”, though the membership is that of SuperLife. By contributing and investing in SuperLife, under the arrangements referred to as the Plan in the Schedule to this investment statement, you have an interest in SuperLife and become entitled to benefits under SuperLife. The interest is the amount you receive when a benefit is payable, which is dependent on the balance in your SuperLife Accounts.

3.4 Your benefits are based on the accumulation of the contributions credited to your accounts with investment earnings, and in some cases, supplemented by insurance.

3.5 It is important to us that SuperLife’s investment options reflect best practice and value and provide flexibility from a Member’s perspective. To provide flexibility SuperLife has a wide range of investment options that let you customise your Investment Strategy for your SuperLife Accounts to suit your needs and investment objectives.

3.6 If you do not want to create your own Investment Strategy, you can choose one of the combinations we have in place that matches how you want your SuperLife Accounts invested.

3.7 It is also important to us that we give you information to help you make decisions and understand the potential outcomes. We do not give personalised investment advice.

3.8 Investment philosophy

Our philosophy and beliefs are what drive the investment options made available and their implementation. The overriding objectives for the implementation of investment policies of SuperLife are based on the principles recognising:

- **Prospective:** Decisions must be made prospectively. We do not know what will happen in the markets particularly in the short-term.
- **Fair & equitable:** Each Fund will be treated fairly and equitably in terms of trade execution orders and price. Fair dealing is a core practice in everything we do – from the way we conduct our business, our relationship with you and the management of your investments to the services we provide.

- **Transparent:** All decisions and the application/execution of the decision will be fully transparent. Our focus is on how we generate the returns, the risks you may be exposed to and how we manage those potential risks. We are also focused on doing the best we can, for all our members over the long-term.

- **Cost effective:** Each decision will be made and implemented on a basis that is practical, sensible and logical for the Fund given the Fund’s size and all decisions must be cost effective. The after-tax and after-all-costs return to you is improved by managing costs.

- **Risk mitigation:** Accurate records are kept and these records are subject to appropriate audit, security and privacy management. We also focus on the management of risks.

- **Simple:** We look to keep things simple.

3.9 We do not set out to have the “highest” short-term return as our primary objective. We set out to provide explainable returns, to minimise surprises and to deliver value. We want Members’ savings to be secure and for Members to have the confidence that their savings are safe and well managed.

3.10 We are more focused on optimising returns over periods relevant to each type of investment:

- 1 to 2 years  Cash
- 3 to 5 years  Bonds
- 7 to 10 years  Property & shares.

3.11 We believe that our returns will be competitive over the long-term because of our lower fees and our investment philosophy. But we expect from time to time that other managers may do better for some periods where those periods are more suited to their investment style.
3.12 **Policy to mitigate risk**

We also look to mitigate risk and have regard to the principles of:

- **Long-term**: We believe that in making investment decisions, it is better to take a long-term view and position portfolios accordingly, while managing the risks that might arise over the short term.

- **Passive**: We believe that when investing for the longer term, a passive approach to investing will deliver better results. This also reduces the investment manager risk.

  Passive investing means we will either invest in an index or index-related fund, or construct a non-indexed fund which holds a restricted number of quality assets for the long-term.

  We do not think that constantly changing our investments, that is trading regularly and seeking short-term gains, adds value to your outcome – in fact we think it adds unnecessary cost and so lowers the returns you can get.

  We agree with historical analysis that demonstrates that a low-cost, buy-and-hold strategy, over time outperforms managers whose approach is to constantly trade the market and look for short term winners.

- **Diversification**: We believe that better risk-adjusted outcomes arise through appropriate diversification. Diversification is about buying multiple investments from those available and spreading your risk by doing so.

3.13 **Investment options**

SuperLife is a vehicle for you to create and implement your personal retirement and investment plans.

3.14 The investment options are made up of 42 Funds and 3 Mixes of the Funds. Of the 42 Funds, 5 of the Funds are Managed Funds, 1 is an Ethical Fund, 13 are Sector Funds and 23 are ETF Funds.

3.15 The Managed Funds and Mixes (pre-selected options) use the Sector Funds and/or the ETF Funds and you can also choose from these options:

  - Managed Funds: SuperLifeIncome\(^{30}\), SuperLife\(^{60}\), SuperLife\(^{80}\) and SuperLife\(^{100}\); and
  - Mixes: The AIM\(^{First\, Home}\), AIM\(^{Future\, Fund}\) and AIM\(^{Age\, Steps}\). AIM\(^{Age\, Steps}\) sets the investment strategy based on your age and reduces the exposure to shares and property in a defined way as you get older.

3.16 The Sector Funds are:


3.17 The ETF Funds are:


3.18 In addition there is a socially responsible Fund called Ethica.

3.19 Subject to the Schedule, you can put your savings into any of the Funds and you can change the Funds at any time.

3.20 Further details on the investment options are in paragraphs 7.17 to 7.84.

3.21 The investment options made available may change from time to time.

3.22 **Responsible investment policy**

Responsible investment, including environmental, social and governance considerations, is not taken into account in the investment policies and procedures of the scheme except that:

- the overseas shares, overseas non-
government bonds portfolios and most ETF portfolios are index-related portfolios and therefore the securities reflect the make-up of the relevant market index;

- the emerging markets portfolio is a range of index and non-index funds. Generally responsible investment trends are not separately taken into account when portfolios are bought and sold;

- the direct investments in the NZ and Australian share portfolios together with the NZ and Australian listed property portfolios have regard to responsible investment trends as one of the factors considered when determining the make-up of the portfolio. The responsible investment trends will affect the supply/demand of securities and their future returns;

- the selection of the securities in the NZ bond, cash and overseas bonds portfolios have regard for responsible investment considerations as one of the influences on future yields and therefore returns;

- SuperLife offers Ethica, a socially responsible option that has specific regard to responsible investment principles. This is one of the over-riding selection requirements of this investment option. The extent to which responsible investment is taken into account in Ethica’s policies, procedures and methodology is set out on our Website – www.Superlife.co.nz and in paragraphs 7.32 to 7.39.

3.23 Insurance options

Included under SuperLife is a range of insurance benefit options including life, disability and medical insurance. You can use the money contributed to SuperLife to buy insurance benefits from one or more of those options as agreed with us and subject to the rules of the Plan as specified in the Schedule.

4. Who is involved in providing it for me?

4.1 The name of the scheme is SuperLife which in the context of your Membership, while an employee of the Company, is referred to as the Plan.

4.2 The Trustee, Manager, and Promoter as at the date of the investment statement are:

- **Trustee**: SuperLife Trustee Limited
- **Manager**: SuperLife Limited
- **Promoter**: SuperLife Limited

4.3 The address of each is:

SuperLife House, 41 Charlotte Street,
Eden Terrace, Auckland 1021.

4.4 Each director of SuperLife Limited is also a Promoter. The names of those directors are:

Michael John Chamberlain, Auckland
Owen George Nash, Auckland.

4.5 Each director can be contacted at the address above. The directors or the addresses of the Trustee, the Manager and Promoter may change from time to time. You can search for information on the latest directors or addresses at www.companies.govt.nz.

4.6 SuperLife Limited also undertakes the day to day administration and record keeping of SuperLife and is also its Investment Manager.

4.7 Related parties and transactions

We invest the assets of the Plan and we are the Manager and also the investment manager of the Plan.

4.8 The assets are held in the name of the Trustee through its 100% owned nominee, SuperLife Trustee Nominees Limited.
4.9 The Investment Consultant to us for the Plan is MCA NZ Limited (“MCA”). MCA is a separate company to us, but the directors of MCA are also our directors. MCA’s fees are met from our fees and are not additional to the fees and charges you pay.

4.10 All the transactions with MCA are carried out on normal commercial terms.

4.11 We are independent of the Trustee and the Trustee is independent of MCA.

4.12 Some of the investments of SuperLife are ETFs managed by Smartshares. We and Smartshares are subsidiaries of NZX Limited. The fees of Smartshares are included in the investment management fees set out in paragraph 6.1(c).

5. **How much do I pay?**

5.1 As an Employee Member, you must make regular contributions to the Plan at least equal to your “Member Contributions” as set out in the Schedule. Where reference is made to “KiwiSaver” in the Schedule, it is to a KiwiSaver scheme as defined in the KiwiSaver Act 2006 (“KS Act”).

5.2 Your Member Contributions will accumulate in your Member Account.

5.3 Any regular contributions you make over and above your Member Contributions are deemed “Voluntary Contributions”. Your Voluntary Contributions will accumulate in your Voluntary Account.

5.4 Your Member Contributions and regular Voluntary Contributions will be deducted from your pay each pay day, and will be credited to your Member Account and your Voluntary Account, as appropriate. Subject to the requirements for Member Contributions as specified in the Schedule, if any, you can change the level of your regular contributions at any time by contacting us.

5.5 You may also make extra lump sum contributions to your Voluntary Account at any time. Such payments may be by direct credit, internet banking or cheque. Cheques should be made payable to “SuperLife” and sent to us at the address provided in paragraph 4.3.

5.6 Your Member Contributions, if any, will be subsidised by the Company at the rate defined in the Schedule as the “Company Contributions”. Unless specified in the Schedule otherwise, the Company Contributions include any employer’s superannuation contribution tax (“ESCT”) payable.

5.7 The Company Contributions in respect of you (less the rate of ESCT payable on employer contributions to superannuation schemes) will be credited to your Employer Account.

5.8 The ESCT rate will change from time to time. The current rate of ESCT applicable ranges up to 33% depending on the Company Contributions in respect of you, any contributions paid by the Company to KiwiSaver and the taxable income received from your employer (your “relevant remuneration level”).

5.9 The current ESCT rates as at the date of this investment statement are:

<table>
<thead>
<tr>
<th>Relevant remuneration level</th>
<th>ESCT rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $16,800</td>
<td>10.5%</td>
</tr>
<tr>
<td>$16,801 to $57,600</td>
<td>17.5%</td>
</tr>
<tr>
<td>$57,601 to $84,000</td>
<td>30.0%</td>
</tr>
<tr>
<td>Above $84,001</td>
<td>33.0%</td>
</tr>
</tbody>
</table>

5.10 Unless specified in the Schedule to the contrary, your Company Contributions stop at the earlier of when you leave the Company’s service or attain age 65.

5.11 You may also agree with the Company, from time to time to sacrifice salary and receive an additional employer contribution to the Plan. Where the Company contributes this way, the amount paid (less the rate of ESCT payable on company contributions to superannuation schemes) will be credited to your Member Account or Voluntary Account as appropriate.

5.12 If you cease to be an Employee Member and choose to remain as an “individual...
6. What are the charges?

6.1 You pay our administration fees and your transaction costs (if any). You also pay indirectly, the governance, investment costs and the investment managers’ fees.

(a) Administration fees: The administration fees payable are made up of a dollar-based fee and a percentage of assets fee.

(i) The dollar-based fee, unless specified in the Schedule otherwise, is an annual fee made up of the sum of:

- a net $33 savings fee if you have one or more accounts for savings, plus
- a net $33 if you have a funeral benefit and/or a life insurance benefit for death or death and total & permanent disablement insurance, plus
- a net $33 if you have a disability income insurance benefit.

(ii) Each of the $33 fees is charged at $2.75 a month, or at such other rate and frequency as we decide.

(iii) Unless specified in the Schedule otherwise, this fee is deducted from your Employer Account. If there is insufficient money in your Employer Account, the fee will be deducted from your Member Account and your Voluntary Account as we decide. The equivalent gross fee is paid to us.

(iv) If, you cease to be an Employee Member and you choose to remain as an Individual Member, the dollar administration fee payable is as above ignoring the provisions of the Schedule and it is deducted from your Member Account or added to the premiums of your insurance benefits as appropriate, as decided by us.

(v) The percentage of assets fee is an annual fee of 0.2% (20 cents in each $100) of your money in your SuperLife Accounts. This is the annual before-tax cost and is deducted throughout the year from the investment returns before the investment returns are credited to your SuperLife Accounts. This fee is paid to us.

(vi) The administration fees cover our costs of administering SuperLife. The fees under present law are not subject to GST because they relate to the provision of financial services through a superannuation scheme. The annual administration fees are, under present law deductible against SuperLife’s taxable investment income. If the tax status changes, the cost of any tax imposed would be passed on to you.

(vii) We can change our administration fees at any time. When we change the administration fees we will tell you.

(b) Investment management fees: The investment management fees are indirectly met by you through reduced investment returns. The returns credited or debited to you are net of all investment manager fees that are payable by us to the external investment managers and brokers or included in the products invested in. The investment management fees vary by Fund and are as agreed with each appointed investment manager or the underlying investment manager. They will be changed from time to time by us depending on any agreement we have with the appointed investment managers.

www.superlife.co.nz
(c) Details of the investment management fees are:

<table>
<thead>
<tr>
<th>Investment options</th>
<th>Investment fees (% p.a. of assets)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Funds</td>
<td></td>
</tr>
<tr>
<td>SuperLife&lt;sup&gt;16&lt;/sup&gt;</td>
<td>0.17</td>
</tr>
<tr>
<td>SuperLife&lt;sup&gt;17&lt;/sup&gt;</td>
<td>0.19</td>
</tr>
<tr>
<td>SuperLife&lt;sup&gt;18&lt;/sup&gt;</td>
<td>0.22</td>
</tr>
<tr>
<td>SuperLife&lt;sup&gt;19&lt;/sup&gt;</td>
<td>0.24</td>
</tr>
<tr>
<td>SuperLife&lt;sup&gt;20&lt;/sup&gt;</td>
<td>0.27</td>
</tr>
<tr>
<td>Mixes</td>
<td></td>
</tr>
<tr>
<td>AIM 1st Home</td>
<td>0.13</td>
</tr>
<tr>
<td>AIM MyFutureFund</td>
<td>0.13</td>
</tr>
<tr>
<td>Ethical Fund</td>
<td></td>
</tr>
<tr>
<td>Ethica</td>
<td>0.30</td>
</tr>
<tr>
<td>Sector Funds</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>0.13</td>
</tr>
<tr>
<td>NZ bonds</td>
<td>0.15</td>
</tr>
<tr>
<td>Overseas bonds</td>
<td>0.20</td>
</tr>
<tr>
<td>Overseas non-government bonds</td>
<td>0.18</td>
</tr>
<tr>
<td>Property</td>
<td>0.20</td>
</tr>
<tr>
<td>NZ shares</td>
<td>0.20</td>
</tr>
<tr>
<td>Australian shares</td>
<td>0.20</td>
</tr>
<tr>
<td>Overseas shares currency hedged</td>
<td>0.20</td>
</tr>
<tr>
<td>Overseas shares (unhedged)</td>
<td>0.20</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>0.55</td>
</tr>
<tr>
<td>UK Cash</td>
<td>0.10</td>
</tr>
<tr>
<td>UK Income</td>
<td>0.40</td>
</tr>
<tr>
<td>UK Shares/Property</td>
<td>0.50</td>
</tr>
<tr>
<td>ETF Funds</td>
<td></td>
</tr>
<tr>
<td>NZ Cash</td>
<td>0.13</td>
</tr>
<tr>
<td>NZ Bond</td>
<td>0.15</td>
</tr>
<tr>
<td>Global Bond</td>
<td>0.20</td>
</tr>
<tr>
<td>NZ Dividend ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>NZ 50 Portfolio ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>NZ Top 10 ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>NZ MidCap ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>NZ Property ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>Aust Top 20 Leaders ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>Aust Dividend ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>Aust Financials ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>Aust Property ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>Aust Resources ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>Aust MidCap ETF</td>
<td>0.20</td>
</tr>
<tr>
<td>Total World ETF</td>
<td>0.27</td>
</tr>
<tr>
<td>US S&amp;P 500 ETF</td>
<td>0.15</td>
</tr>
<tr>
<td>Europe ETF</td>
<td>0.22</td>
</tr>
<tr>
<td>Asia Pacific ETF</td>
<td>0.22</td>
</tr>
<tr>
<td>US Growth ETF</td>
<td>0.19</td>
</tr>
<tr>
<td>US Value ETF</td>
<td>0.19</td>
</tr>
<tr>
<td>US MidCap ETF</td>
<td>0.19</td>
</tr>
<tr>
<td>US Small ETF</td>
<td>0.15</td>
</tr>
<tr>
<td>Emerging Markets ETF</td>
<td>0.35</td>
</tr>
</tbody>
</table>

Note: As the investment strategies for the Mixes and Managed Funds will vary from their benchmarks, the actual fees will vary from those shown. Those shown are the expected average fees over the long term.

(d) The investment managers’ fees in respect of the strategies applied under AIM<sup>long term</sup> will vary from 0.20% to 0.27% depending on your age and reflects the Funds invested in. The investment managers’ fees at sample ages based on the benchmark strategies are:

<table>
<thead>
<tr>
<th>AIM&lt;sup&gt;long term&lt;/sup&gt;</th>
<th>sample ages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment fees (% p.a. of assets)</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>0.26</td>
<td>0.25</td>
</tr>
</tbody>
</table>

(e) Voluntary Insurance: unless specified in the Schedule otherwise, any additional insurance benefit (for you or your family, where applicable) agreed with the Trustee will be at your expense and the cost, including any administration costs, will be deducted from your pay each pay day or, as appropriate, deducted from your Voluntary Account.

(f) Investment costs: Each Fund incurs its own costs of buying and selling assets (e.g. brokerage, stamp duty etc.) when money is invested or withdrawn and a share of the bank fees for the scheme as a whole. These are deducted from SuperLife’s assets and investment returns as appropriate, as they are incurred and paid directly to the brokers. These are not met directly by you.

(g) There is no limit to the investment costs and the amount payable in each case will reflect the costs incurred. Details of the amounts of the costs are set out in the audited financial statements each year.

(h) Transaction costs and other fees: There are currently no entry fees, exit fees, charges for withdrawals or for switching between investment options. However, we reserve the right to charge a benefit payment fee when you withdraw your savings from SuperLife and for switching fees, or if you move your savings from one Fund to another. We will tell you in advance if we introduce transaction costs or other fees. Any transaction costs introduced will be paid to us.
(i) **Governance costs:** The governance costs are the actual cost incurred by the Trustee, or on behalf of the Trustee, in fulfilling its fiduciary responsibilities and includes the compliance costs of SuperLife. The compliance costs of SuperLife include costs such as audit and regulatory levies. These costs are deducted from the total assets for SuperLife before the investment returns are credited to your SuperLife Accounts and paid directly to the service suppliers/regulatory authorities. There is no limit to the governance costs and the amount payable will reflect the costs incurred. Details of the amounts are set out in the audited financial statements each year.

6.2 All these fees and costs may be changed by us at any time. When the fees, the costs or our policies in this regard are changed, we will advise you.

7. **What returns will I get?**

7.1 The returns you get from the Plan depend on the benefits you receive relative to the contributions you have made. The benefits payable to you will depend on factors including the reasons for the benefit, how much, if any, that you have contributed, how much the Company has contributed (if any), the investment returns net of expenses and tax, any premiums paid at your request for an additional insurance benefit and whether any insurance benefit becomes payable.

7.2 We credit the investment returns to your SuperLife Accounts throughout the year (normally each working day, called a “valuation day”). The net investment returns are based on the return rates (after-tax, investment management and asset related fees and costs) of the investments for the investment strategies you have chosen from the options available.

7.3 The returns for a Fund come from changes in the values of the Fund’s assets and the income earned on the assets of the Fund.

7.4 This income is not distributed but retained in the Fund and reflected in the Fund’s returns. The amounts in a Fund represent all the Fund’s assets. There are no reserves held other than for accrued tax and expenses. The key factor affecting the value of the assets in a Fund is the performance of the Fund’s investments.

7.5 Each valuation day, we calculate the amount of the investment earnings for each investment Fund. We then:
   - deduct provisions for taxes payable and the appropriate fees;
   - make an adjustment to reflect the costs of investing and realising assets;
   - calculate the net return in the Fund on the valuation day since the previous valuation day.

7.6 The total return includes taxable investment earnings and non-taxable earnings.

7.7 We may also decide to make a special valuation for any purpose as we decide. This will normally occur only in situations where there is a major market event (such as a share market crash, a liquidity event or market failure), or a major contribution/benefit cash flow and we conclude that not to do so would raise equity issues with other Members.

7.8 The investment earnings of a Fund are then allocated in full across the members’ balances, for the members who have a holding in that Fund. The allocation is based on the value at the beginning of the valuation period, less any payments that have been subsequently made. From the investment earnings allocated to you, we then deduct the taxes payable in respect of you under the PIE regime. Details on the PIE regime are in paragraph 7.14 and on page 35.

7.9 We reserve the right to change the method of valuation of investments when appropriate to ensure equity.

7.10 In SuperLife, you can choose your own Investment Strategy from the investment options available. You can combine the
different Funds or choose one of the Mixes. You can change your Investment Strategy at any time and there is no charge for doing so.

7.11 If you do not decide on your Investment Strategy, then the investment returns will be based on the contributions being invested in accordance with the Default Mix as set out in the Schedule as determined by the Company from time to time or if not chosen by the Company, by us.

7.12 At times throughout the year (normally monthly), we will rebalance your SuperLife Accounts to your chosen Investment Strategy. This happens automatically unless you tell us not to. This way the investment of your SuperLife Accounts is consistent with the Investment Strategy decision you have made.

7.13 If you die, while being a member, then the Trustee upon receipt of formal notice of your death, will as soon as practicable change your chosen Investment Strategy. The amount in your SuperLife Accounts will be invested 100% in the Cash Fund pending its payment to your beneficiaries or to your estate.

7.14 SuperLife is a PIE. As a PIE, SuperLife is required to pay tax on its investment earnings allocated to your SuperLife Accounts. Under the PIE regime, we deduct and pay tax from the taxable income on behalf of you at your PIR. Currently, the PIRs are 10.5%, 17.5% or 28%. 28% is the maximum tax rate that can apply. The net investment earnings are credited to your SuperLife Accounts. More details are on page 35.

7.15 The rules relating to PIEs and PIRs may change from time to time.

7.16 The following describes the investment objectives of each of the investment options:

7.17 Managed Funds
SuperLife has five Managed Funds (SuperLife^{Income}, SuperLife^{30}, SuperLife^{60}, SuperLife^{80} and SuperLife^{100}). Each of the Managed Funds invests in the Sector Funds. The benchmark investment strategy for the Managed Funds is set by us based on our view, on the advice of MCA, of the market and economic conditions. We have the discretion to vary the mix of the Sector Funds around the benchmarks. It will generally be within the ranges shown. Details of the current investment strategy for the Managed Funds are on our website www.Superlife.co.nz.

7.18 SuperLife^{Income} Fund

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>0-70</td>
</tr>
<tr>
<td>NZ Bonds</td>
<td>0-100</td>
</tr>
<tr>
<td>Overseas Bonds</td>
<td>0-100</td>
</tr>
<tr>
<td>Overseas Non-govt Bonds</td>
<td>0-100</td>
</tr>
</tbody>
</table>

7.19 SuperLife^{30}, SuperLife^{60}, SuperLife^{80} and SuperLife^{100} Funds

The reference to 30, 60, 80 and 100 indicates the benchmark proportion that is held in "growth" assets (property and shares). The balance is held in "income" assets (cash and bonds). Each Managed Fund is designed to achieve a particular risk and return profile.

7.20 Over the long-term, SuperLife^{30} is expected to have a lower average return than SuperLife^{60} and also to have less volatility, around the average, of the year-by-year returns, relative to SuperLife^{80}. Likewise, SuperLife^{60} is expected to have a lower average return and lower volatility around the average, relative to SuperLife^{80}. SuperLife^{100} is expected to have a higher average return and higher volatility among the Managed Funds.
## 7.21 SuperLife™30 Fund

<table>
<thead>
<tr>
<th>Benchmark (%)</th>
<th>Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>5.0</td>
</tr>
<tr>
<td>NZ bonds</td>
<td>32.5</td>
</tr>
<tr>
<td>Overseas bonds</td>
<td>10.0</td>
</tr>
<tr>
<td>Overseas non-govt bonds</td>
<td>22.5</td>
</tr>
<tr>
<td>Property</td>
<td>5.0</td>
</tr>
<tr>
<td>Australasian shares</td>
<td>12.5</td>
</tr>
<tr>
<td>Overseas shares*</td>
<td>7.5</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>5.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*On average, over the long term, half of the risks associated with currency movement will be hedged. The actual level of hedging will vary between 0% and 100% based on our view of the outlook for the NZ dollar.

---

## 7.24 SuperLife™100 Fund

<table>
<thead>
<tr>
<th>Benchmark (%)</th>
<th>Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>0.0</td>
</tr>
<tr>
<td>Property</td>
<td>15.0</td>
</tr>
<tr>
<td>Australasian shares</td>
<td>30.0</td>
</tr>
<tr>
<td>Overseas shares*</td>
<td>35.0</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>20.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*On average, over the long term, half of the risks associated with currency movement will be hedged. The actual level of hedging will vary between 0% and 100% based on our view of the outlook for the NZ dollar.

---

## 7.22 SuperLife™80 Fund

<table>
<thead>
<tr>
<th>Benchmark (%)</th>
<th>Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>5.0</td>
</tr>
<tr>
<td>NZ bonds</td>
<td>17.5</td>
</tr>
<tr>
<td>Overseas bonds</td>
<td>7.5</td>
</tr>
<tr>
<td>Overseas non-govt bonds</td>
<td>10.0</td>
</tr>
<tr>
<td>Property</td>
<td>10.0</td>
</tr>
<tr>
<td>Australasian shares</td>
<td>12.5</td>
</tr>
<tr>
<td>Overseas shares*</td>
<td>27.5</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>10.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*On average, over the long term, half of the risks associated with currency movement will be hedged. The actual level of hedging will vary between 0% and 100% based on our view of the outlook for the NZ dollar.

---

## 7.25 Mixes

SuperLife has three Mixes (AIM™ First Home, AIM™ myFutureFund and AIM™ Age Step). Each of the Mixes invests in the Sector Funds and/or the ETF Funds.

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## 7.26 The benchmark investment strategy for the Mixes is set by us based on our view, on the advice of MCA, of the market and economic conditions. We have the discretion to vary the mix of the Sector Funds around the benchmarks. It will generally be within the ranges shown. Details of the current investment strategy for the Mixes are on our website [www.superlife.co.nz](http://www.superlife.co.nz).

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## 7.27 AIM™ First Home and AIM™ myFutureFund adopt the same investment strategy. They are investment options that target a “cash plus” average return, over the medium term (3 to 5 years). The investment decisions are based on our view, on the advice of MCA, of the interest rate, investment and economic outlook on a 1 to 3 year horizon.

### AIM™ First Home & AIM™ myFutureFund

<table>
<thead>
<tr>
<th>Benchmark (%)</th>
<th>Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash/bonds</td>
<td>100</td>
</tr>
<tr>
<td>Shares/property</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*On average, over the long term, half of the risks associated with currency movement will be hedged. The actual level of hedging will vary between 0% and 100% based on our view of the outlook for the NZ dollar.*
7.28 We also offer the AIM<sup>AgeSteps</sup> Mix. AIM<sup>AgeSteps</sup> is a mix of the Cash, SuperLife<sup>Income</sup> and SuperLife<sup>Income100</sup> Funds and has an underlying asset mix that is related to your age. It therefore splits your SuperLife Account balance between the other Funds for cash, bonds, property and shares, based on your age. At the younger ages, the focus is on property and shares. It currently moves to be half property and shares, and half cash and bonds, at age 65.

7.29 AIM<sup>AgeSteps</sup> designed for someone saving for retirement, where their money invested represents most of their retirement savings and where they plan to maintain their investment into retirement and spending their savings throughout their retirement. They are also willing to have a “normal” level of ups and downs in returns. For many members, it will not represent the ideal investment strategy as they may have other investments, or they intend to use their SuperLife Account savings for other reasons (e.g. to buy their first house), or they wish to have a more conservative or aggressive strategy. If the savings are planned to be spent in full on retirement, it may not be suitable to remain in this strategy approaching retirement.

7.30 Details for all ages are on our website [www.Superlife.co.nz](http://www.Superlife.co.nz) and are illustrated below:

![Sample investment strategies](Image)

7.31 The investment strategies at sample ages are:

<table>
<thead>
<tr>
<th>Funds</th>
<th>20</th>
<th>30</th>
<th>40</th>
<th>50</th>
<th>60</th>
<th>70</th>
<th>80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>12.5</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>SuperLife&lt;sup&gt;Income&lt;/sup&gt;</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>12.5</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>SuperLife&lt;sup&gt;Income100&lt;/sup&gt;</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>12.5</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

7.32 Ethical Fund

Currently, there is only one Ethical Fund, namely Ethica. Ethica has a responsible investment focus.

7.33 Ethica’s objective is to provide a medium risk, “balanced” portfolio of the main asset classes, while looking to maintain social, community and environmental standards.

7.34 If you choose to invest in Ethica, each $100 of your savings is invested in investments within the different investment sectors around a benchmark that targets 60% shares/property and 40% cash/bonds but will vary around this, normally within the ranges, as follows:

<table>
<thead>
<tr>
<th></th>
<th>Benchmark (%)</th>
<th>Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>5</td>
<td>0-90</td>
</tr>
<tr>
<td>Bonds</td>
<td>40</td>
<td>0-60</td>
</tr>
<tr>
<td>Property</td>
<td>10</td>
<td>0-35</td>
</tr>
<tr>
<td>Shares</td>
<td>60</td>
<td>0-70</td>
</tr>
</tbody>
</table>

7.35 Investment decisions are based on our view, on the advice of MCA, of each sector’s outlook on a 3 to 5 year time horizon and returns are measured over a 5 to 7 year period.

7.36 In selecting managers and assets, we adopt an exclusion approach and exclude investments that do not meet defined principles. Such excluded investments form Ethica’s “Excluded Activity List”.

7.37 We look to exclude investments where the activities of the organisations behind the investment:

- have an overall negative impact on social and community outcomes;
- would be illegal in New Zealand;
- are inconsistent with the United Nations’ policies on health and safety, child rights and human rights.
are expected to result in long-term, permanent, detrimental change to the environment.

7.38 In addition, Ethica will exclude investments in organisations that a significant number of informed New Zealanders would find objectionable.

7.39 Current investments and sectors that are excluded are those where a material part of their revenue and/or activities are in the areas of gambling, tobacco, alcohol, armaments, pornography and fossil fuel extraction.

7.40 **Sector Funds**

SuperLife has 13 Sector Funds. These are the building blocks that let you to form your Investment Strategy.

7.41 Each Sector Fund invests in its permitted investments and looks to capture the market returns of a particular type of asset. With each Sector Fund, cash and cash equivalent assets may also be held for liquidity purposes.

7.42 In addition to each Sector Fund investing in its permitted investments directly, each Sector Fund may invest in other external investment funds ("Underlying Funds") that primarily invest in the permitted investments, including ETFs and unlisted managed investment funds.

The investment management of the Underlying Funds will be provided by the investment managers of those funds. The Underlying Funds may be managed by companies related to us, ("Related Underlying Funds"). The investment management fees detailed in paragraph 6.1(c) include the investment management fees of the Underlying Funds.

7.43 The Underlying Funds in which the capital of each Sector Fund is invested in, and/or the investment manager(s) appointed to invest the Sector Fund's capital, are chosen by us.

7.44 The Sector Funds are specified below:

7.45 **Cash Fund**

**Objective:**

To capture the market returns of the New Zealand "cash" investment market.

**Permitted investments:**

Cash and cash equivalent assets denominated in New Zealand dollars with a maximum remaining duration of 365 days, including:

- short-term fixed interest investments;
- bank deposits; and
- other cash and cash equivalent investments.

**Benchmark returns:**

The 1 to 2 year returns are evaluated against the S&P/NZX Bank Bills 90-Day Index.

A margin over the index return is expected over each 2-year period to reflect the investment risks of the portfolio.

**Implementation:**

The decisions on which investments to buy and Underlying Funds to invest in are made by us.

The Fund invests in the ETF of Smartshares known as New Zealand Cash Trust (NZC) and the wholesale cash fund of Nikko Asset Management New Zealand Limited ("Nikko") known as Nikko AM Wholesale NZ Cash Fund.

7.46 **NZ Bonds Fund**

**Objective:**

To capture the market returns of the New Zealand investment-grade bond market made up of the fixed interest investments issued by the New Zealand government and major New Zealand organisations.

**Permitted investments:**

Any fixed interest security where the interest rate is denominated in NZ dollars:

- of, or guaranteed by, the NZ government;
of a corporate entity or bank constituted by or under the laws of NZ;
- of a local authority or other governing body constituted by or under NZ law.

Any convertible or non-convertible securities of an organisation which provides a predetermined rate of dividend or interest.

NZ dollar securities issued or guaranteed by foreign governments.

Deposits with a bank and Certificates of Deposit issued by a bank whether negotiable, convertible or not.

Bills of Exchange that have been accepted or endorsed by a bank.

Promissory notes and floating rate notes.

Cash and cash equivalents.

**Benchmark returns:**
The 3 to 5 year returns are evaluated against the S&P/NZX Government Bond Index.

A margin over the index return is expected over each 5-year period to reflect the risks of the non-government bond investments.

**Implementation:**
The decisions on which investments to buy and Underlying Funds to invest in are made by us.

The Fund invests in the ETF of Smartshares known as New Zealand Bond Trust (NZB) and the wholesale NZ bond of Nikko known as Nikko AM Wholesale NZ Bond Fund.

**7.47 Overseas Bonds Fund**

**Objective:**
To capture the market returns of the global investment grade bond market made up of bonds issued by the governments of overseas countries and other issuers within the developed markets.

**Permitted investments:**
Any fixed interest security where the interest rate is:
- of, or guaranteed by, a government of an overseas country;
- of a corporate entity or bank;
- of a local authority or other equivalent body.

Any convertible or non-convertible securities of a corporation which provide a predetermined rate of dividend or interest.

Deposits with a bank and Certificates of Deposit issued by a bank whether negotiable, convertible or not.

Bills of Exchange that have been accepted or endorsed by a bank.

Promissory notes and floating rate notes.

A security that is included in the Barclays Global Aggregate Investment Grade Index.

Forward currency hedging contracts.

Cash and cash equivalents.

**Hedging:**
The foreign currency exposures are hedged to the NZ dollar by buying forward currency hedging contracts.

**Benchmark returns:**
The 3 to 5 year returns are evaluated against the Barclays Global Aggregate Investment Grade Index hedged to New Zealand dollars.

**Implementation:**
The decisions on which investments to buy and Underlying Funds to invest in are made by us.

The Fund invests in the ETF of Smartshares known as Global Bond Trust (GBF) and the overseas bond trust of State Street Global Advisors Australia Pty Limited (“SSgA”) known as SSgA Global Fixed Income Index Trust.

The GBF is hedged to the New Zealand
The SSgA fund is hedged to the Australian dollar within the SSgA fund. Currency hedging outside the SSgA fund is managed by us. Where the hedging contracts are implemented by us the services of Nikko are used.

7.48 Overseas Non-government Bonds Fund

Objective:
To capture the market returns available from the investment grade bonds issued by organisations in the developed markets.

Permitted investments:
Any fixed interest security available in an overseas developed market characterised as:
- of or guaranteed by a foreign government;
- of a corporate entity or bank constituted by or under the laws of an overseas developed market;
- of a local authority or other governing body constituted by or under laws of an overseas developed market.

A security that is included in the Citigroup World Broad Investment-Grade Bond Index.

Any convertible or non-convertible securities of a corporation which provides a predetermined rate of dividend or interest.

Deposits with a bank and Certificates of Deposit issued by a bank whether negotiable, convertible or not.

Bills of Exchange that have been accepted or endorsed by a bank.

Promissory notes and floating rate notes.

Forward currency hedging contracts.

Cash and cash equivalents.

Hedging:
The foreign currency exposures are hedged to the NZ dollar by buying forward currency hedging contracts.

Benchmark returns:
The 3 to 5 year returns are evaluated against the Citigroup World Government Bond Index hedged to New Zealand dollars.

A margin above this is expected to reflect the exposure to investment grade corporate bonds.

Implementations:
The decisions on which investments to buy and Underlying Funds to invest in are made by us.

The Fund invests in the Vanguard International, Credit Securities Index Fund (Hedged) of Vanguard Investments Australia Limited ("Vanguard").

This product is an index fund and is hedged to the Australian dollar within the product. The Vanguard fund is benchmarked against the Barclays Global Aggregate Investment Grade Index ex Mortgage Backed Securities.

Currency hedging outside the Vanguard fund is managed by us. Where the hedging contracts are implemented by us the services of Nikko are used.

7.49 Property Fund

Objective:
To capture the market returns of the property markets of New Zealand, Australia and the non-Australasian developed markets, over the long term, by passively investing in a diversified portfolio of listed or about to be listed property securities.

Permitted investments:
Property securities and associated investments ("Property Shares") listed on a board of the NZSE, the Australian Stock Exchange ("ASX"), or the stock exchange of a developed country.

Property Shares of New Zealand and Australian companies that are expected to be listed within 1 year on a board of the NZSE or ASX.
Shares in this context include futures, options, rights and any listed hybrid equity security including redeemable preference shares, specified preference shares, partly paid shares and convertible notes.

Forward currency hedging contracts.

Cash and cash equivalents.

Hedging:
The foreign currency exposures for global property securities are generally hedged to the Australian dollar. The currency risks of Australian property securities and the NZ and Australian exposure of the global property securities are expected to be 50% hedged on average to the NZ dollar, but may at times, vary between 0% and 100%.

We manage the currency exposure risk between NZ and Australia and implements that through Nikko.

Benchmark returns:
The 5 to 7 year returns are evaluated against the NZX Property Index. The returns are expected to vary relative to the index reflecting the exposure to Australian and global property securities. Over the long term (10 years), the volatility of the portfolio is expected to be less due to the higher level of diversification.

Implementation:
We, on the split between New Zealand, Australia and the global developed markets. Securities within New Zealand and Australian markets are bought to target an equally weighted exposure within each market, but there will be departures from this principle because of the products invested in, market movements, size and liquidity and efficiency constraints, and for diversification purposes.

Investing on a passive basis means that the turnover of the portfolio is expected to be low and the portfolio is not expected to be traded over the short-term.

For global property securities, the Fund currently buys units in the Vanguard International Property Securities Index Fund (Hedged), managed by Vanguard. This is a global ex-Australia property index fund.

For Australasian securities, the Fund invests in the ETFs managed by Smartshares known as New Zealand Property Trust (NZP) and Australian Property Index Trust (ASP).

7.50 NZ Shares Fund

Objective:
To capture the market returns of the New Zealand share market over the long term from a diversified portfolio of listed New Zealand shares.

Permitted investments:
Shares and associated investments, listed on a board of the NZX. Shares in this context includes futures, options, rights and any listed hybrid equity security including redeemable preference shares, specified preference shares, partly paid shares and convertible notes.

Shares of New Zealand companies that are expected to be listed within 1 year on a board of the NZX.

Cash and cash equivalents.

Benchmark returns:
The 7 to 10 year returns are evaluated against the S&P/NZX 50 Index.

Implementation:
The decisions on which investments to buy are made by us. To help us, we receive advice from Forsyth Barr Limited ("Forsyth Barr") and other brokers as appropriate.

Investments are bought to construct a NZ share portfolio for a long-term investor. Shares are bought on a passive basis.

Investing on a passive basis means that the turnover of the portfolio is expected to be low and the portfolio is not expected to be traded over the short term. Shares are purchased with the expectation that they will still be held in 7 years’ time.

The Fund invests part of its capital in the different NZ share ETFs of Smartshares.
7.51 Australian Shares Fund

Objective:
To capture the market returns of the Australian share market over the long term from a diversified portfolio of shares.

Permitted investments:
Shares and associated investments listed on a board of the ASX. Shares in this context includes futures, options, rights and any listed hybrid equity security including redeemable preference shares, specified preference shares, partly paid shares and convertible notes.

Shares of Australian companies that are expected to be listed within 1 year on a board of the ASX.

Forward currency hedging contracts.

Cash and cash equivalent.

Hedging:
The foreign currency risks between the NZ and Australian dollar are expected to be 50% hedged on average, but may at times be fully hedged or fully unhedged.

We manage the currency exposure risk between New Zealand and Australia and implement that through Nikko.

Benchmark returns:
The 7 to 10 year returns are evaluated against the S&P/ASX 200 Index (50% hedged to the New Zealand dollar).

Implementation:
The decisions on which investments to buy and Underlying Funds to invest in are made by us.

Shares are bought on a passive basis. Investing on a passive basis means that the turnover of the portfolio is expected to be low and the portfolio is not expected to be traded over the short term.

The Fund invests its capital in the different Australian share ETFs of Smartshares.

7.52 overseas Shares Currency Hedged Fund

Objective:
To capture the market returns of the share markets of the developed countries, without the exposure to the risks of currency movement.

The Fund invests on a passive basis.

Permitted investments:
Shares and associated investments listed on a board of a stock exchange of a developed market that is included in the MSCI World Index. Shares in this context include futures, options, rights and any listed hybrid equity security including redeemable preference shares, specified preference shares, partly paid shares and convertible notes.

Forward currency hedging contracts.

Cash and cash equivalents.

Hedging:
The foreign currency risks are hedged to the New Zealand dollar by buying forward currency hedging contracts. The target is to be 100% hedged before tax, but the hedging level will typically vary within 95% to 105%.

Benchmark returns:
The 7 to 10 year returns are evaluated against the MSCI World Index (hedged to New Zealand dollar).

Implementation:
The decisions on which investments to buy and Underlying Funds to invest in are made by us.

The Fund invests in the different global share ETFs managed by Smartshares.

We manage the currency exposure risk and implements that through Nikko.
7.53 Overseas Shares (Unhedged) Fund

Objective:
To capture the market returns of the share markets of the developed countries.

The Fund invests on a passive basis.

The Fund is exposed to the foreign currency movements of the overseas share markets invested in.

Permitted investments:
Shares and associated investments listed on a board of a stock exchange of a
developed market that is included in the
MSCI World Index. Shares in this context include futures, options, rights and any
listed hybrid equity security including
redeemable preference shares, specified
preference shares, partly paid shares and
convertible notes.

Cash and cash equivalents.

Benchmark returns:
The 7 to 10 year returns are evaluated against the MSCI World Index (New Zealand
dollars).

Implementation:
The decisions on which investments to buy and Underlying Funds to invest are made by
us.

The Fund invests in:
- Listed products of Somerset Capital
  Management LLP ("Somerset"). The
  Somerset products are PFS Somerset
  EM Dividend Growth Fund A
  Accumulation and PFS Somerset EM
  Small Cap Fund B Accumulation.
- ETFs managed by Blackrock (through
  iShares).
- ETFs managed by Smartshares known
  as Emerging Markets Trust (EMF).

7.54 Emerging Markets Fund

Objective:
To capture the market returns of the share markets of the emerging countries.

The Fund invests on a passive basis.

Permitted investments:
Shares and associated investments listed on a board of a stock exchange of an
emerging market that are included in the
MSCI Emerging Markets Index. Shares in this context include futures, options, rights
and any listed hybrid equity security
including redeemable preference shares,
specified preference shares, partly paid
shares and convertible notes.

Forward currency hedging contracts.

Cash and cash equivalents.

Hedging:
The exchange rate risk relating to the
foreign currency exposure will normally be
unhedged, but currency hedging can be put
in place.

We make the currency hedging decisions
and implements that through Nikko.

Benchmark returns:
The 7 to 10 year returns are evaluated
against the MSCI Emerging Markets Index
(New Zealand dollars).

Implementation:
The decisions on what investments to buy
and Underlying Funds to invest are made by
us.

The Fund invests in:
- Listed products of Somerset Capital
  Management LLP ("Somerset"). The
  Somerset products are PFS Somerset
  EM Dividend Growth Fund A
  Accumulation and PFS Somerset EM
  Small Cap Fund B Accumulation.
- ETFs managed by Blackrock (through
  iShares).
- ETFs managed by Smartshares known
  as Emerging Markets Trust (EMF).

7.55 UK Cash Fund

Objective:
To capture the market returns of the UK
"cash" investment market, managed from a
UK investor's perspective.

Permitted investments:
Cash and cash equivalent investments with
a maximum remaining duration of 365 days,
including short-dated fixed interest
investments denominated in UK pounds.

Bank deposits.
Cash and cash equivalents.

**Benchmark returns:**
The 1 to 2 year returns are evaluated against UK cash rate converted to New Zealand dollars.

**Implementation:**
The decisions on which investments to buy are made by us.

The Fund invests in cash and cash equivalent investments (bank deposits and other cash and short-term fixed interest investments) primarily denominated in UK pounds.

**Other comments:**
As the investments will primarily be UK cash investments, the returns in New Zealand dollars may be volatile and, as a New Zealand domiciled fund, returns will be accounted for in New Zealand dollars and are therefore subject to New Zealand tax laws.

### 7.56 UK Income Fund

**Objective:**
To capture the market returns available from bond investments managed from a UK investor’s perspective.

**Permitted investments:**
Any fixed interest security:
- of, or guaranteed by, a government in any overseas developed market;
- of a corporate entity or bank constituted by, or under, the laws of an overseas developed market;
- of a local authority or other governing body constituted by or under the laws of an overseas developed market.

Any convertible or non-convertible securities of a corporation which provide a predetermined rate of dividend or interest.

Deposits with a bank.

Certificates of Deposit issued by a bank whether negotiable, convertible or not.

Bills of Exchange that have been accepted or endorsed by a bank.

Promissory notes; and floating rate notes.

Forward currency hedging contracts.

Cash and cash equivalents.

**Hedging:**
The foreign currency exposure associated with investments made outside the UK will generally be unhedged but will at times be hedged to UK pounds.

We make currency hedging decisions and implements that through Nikko.

**Benchmark returns:**
The 3 to 5 year returns are evaluated against UK 10-year bond index converted to New Zealand dollars.

**Implementation:**
The decisions on which investments to buy and Underlying Funds to invest in are made by us.

The Fund invests in cash investments and passive global bond trusts that invest in the permitted investments.

**Other comments:**
As the investments will primarily be bond investments managed from a UK investor’s perspective, the returns in New Zealand dollars may be volatile and, as a New Zealand domiciled fund, returns will be accounted for in New Zealand dollars and are therefore subject to New Zealand tax laws.

### 7.57 UK Shares/Property Fund

**Objective:**
To capture the market returns of the global share markets, managed from a UK investor’s perspective.

**Permitted investments:**
Shares and associated investments listed on a board of a stock exchange of a developed market that are included in the MSCI World Index. Shares in this context
include futures, options, rights and any listed hybrid equity security including redeemable preference shares, specified preference shares, partly paid shares and convertible notes.

Forward currency hedging contracts.

Cash and cash equivalents.

Hedging:
The foreign currency exposure associated with investments made outside the UK will generally be unhedged but will at times be hedged to UK pounds.

We make the currency hedging decisions and implement those through Nikko.

Benchmark returns:
The 7 to 10 year returns are evaluated against MSCI World Index (New Zealand dollar).

Implementation:
The decisions on which investments to buy and Underlying Funds to invest in are made by us.

The Fund invests on a passive basis in UK share and property investments and global share and property investments. The investments will normally be listed securities and funds and units in fund managers’ unlisted unit trusts and collective investment vehicles.

The investment decisions are based on our view of the UK and global investment and economic outlook on a 3 to 5 years’ time horizon and returns measured over 7 to 10 year period.

Other comments:
As the investments will primarily be share investments managed from a UK investor’s perspective, the returns in New Zealand dollars may be volatile and as a New Zealand-domiciled fund, returns will be accounted for in New Zealand dollars and are therefore subject to New Zealand tax laws.

7.58 ETF Funds
The objective of each ETF Fund is to provide a return that reflects the return of the relevant market index or benchmark. Where the ETF reflects an “index”, it is a passive Index ETF and is designed to track that index. Where the ETF reflects a “benchmark”, it is an active non-index ETF, and the objective is for the return of the ETF to exceed the return of the benchmark.

7.59 Each ETF Fund is implemented by investing in the units of the equivalent Smartshares ETF listed on the NZSE. The permitted investments of each ETF Fund are units of the equivalent Smartshares ETF. In addition, cash and cash equivalents, for cash flow management purposes are permitted.

7.60 For the purposes of monitoring and evaluating the investment outcomes of each ETF Fund, each ETF Fund’s 3 to 5 year annualised average return is measured against the market index or benchmark set for the ETF Fund. The return may be lower than the market index or benchmark, return reflecting the fees payable and costs incurred.

7.61 Details of the Smartshares ETFs are available on its website www.smartshares.co.nz.

7.62 NZ Cash ETF Fund

Benchmark:
S&P/NZX Bank Bills 90-Day Index.

Smartshares ETF:
New Zealand Cash Trust (NZC).

Other comments:
The objective of the NZC is to outperform the benchmark over a rolling 1-year period. It invests in short-term interest bearing assets and other cash and cash equivalent investments, and is managed by Nikko.

7.63 NZ Bond ETF Fund

Benchmark:
S&P/NZX A-Grade Corporate Bond Index.
Smartshares ETF:
New Zealand Bond Trust (NZB).

**Other comments:**
The objective of the NZB is to outperform the benchmark over a rolling 3-year period. It invests in interest bearing assets and other NZ bond investments, and is managed by Nikko.

### 7.64 Global Bond ETF Fund

**Benchmarks:**
Barclays Global Aggregate Index.

**Smartshares ETF:**
Global Bond Trust (GBF).

**Other comments:**
The objective of the GBF is to outperform the benchmark by 1% p.a. over a rolling 3-year period. It invests in global interest bearing assets, bonds and other global securities and is managed by Pimco Australia Pty Limited ("Pimco").

### 7.65 NZ Dividend ETF Fund

**Index:**
S&P/NZX 50 High Dividend Index.

**Smartshares ETF:**
NZ Dividend Index Trust (DIV).

**Other comments:**
The S&P/NZX 50 High Dividend Index comprises 25 companies with the highest dividend yields and liquidity from the S&P/NZX 50 Index.

### 7.66 NZ 50 Portfolio ETF Fund

**Index:**
S&P/NZX 50 Portfolio Capital Index.

**Smartshares ETF:**
NZ Top 50 (FNZ).

**Other comments:**
The NZX 50 Portfolio Capital Index comprises 50 of the largest entities listed on the NZSE with the weighting of any one entity capped at 5% of the portfolio at the time of being added to the index.

### 7.67 NZ Top 10 ETF Fund

**Index:**
S&P/NZX 10 Index.

**Smartshares ETF:**
NZX 10 Fund (TNZ).

**Other comments:**
The S&P/NZX 10 index is comprised of 10 of the largest companies in the S&P/NZX 50 Index. Dual and overseas listed companies are not eligible for index inclusion.

### 7.68 NZ MidCap ETF Fund

**Index:**
S&P/NZX MidCap Index.

**Smartshares ETF:**
NZX MidCap Index Fund (MDZ).

**Other comments:**
The S&P/NZX MidCap index is designed to measure the performance of New Zealand’s mid-cap equity market and comprises all constituents of the S&P/NZX 50 Index that are not members of the S&P/NZX 10 Index.

### 7.69 NZ Property ETF Fund

**Index:**
S&P/NZX Real Estate Select Index.

**Smartshares ETF:**
New Zealand Property Trust (NZP).

**Other comments:**
The S&P/NZX Real Estate Select Index consists of the NZ listed property securities with a market capitalisation above $300m and where an individual security in the index is limited to 17.5% of the index when rebalanced.

### 7.70 Aust Top 20 Leaders ETF Fund

**Index:**
S&P/ASX 20 Index in NZ dollars.

**Smartshares ETF:**
NZX Australian 20 Leaders Index Fund (OZY).
Other comments:
The Fund is exposed to the Australian dollar and the exchange rate movement is unhedged.

The S&P/ASX 20 Index includes the 20 largest stocks by market capitalisation in the Australian equities market.

### 7.71 Aust Dividend ETF Fund

**Index:**
S&P/ASX Dividend Opportunities Index in NZ dollars.

**Smartshares ETF:**
Australian Dividend Index Trust (ASD).

Other comments:
The Fund is exposed to the Australian dollar and the exchange rate movement is unhedged.

The S&P/ASX Dividend Opportunities Index offers exposure to 50 high yielding common stocks from the Australian equity market.

### 7.72 Aust Financials ETF Fund

**Index:**
S&P/ASX 200 Financials Ex-A-REIT Index in NZ dollars.

**Smartshares ETF:**
Australian Financials Index Trust (ASF).

Other comments:
The Fund is exposed to the Australian dollar and the exchange rate movement is unhedged.

Comprises those securities included in the S&P/ASX 200 Index in the Financial Sector (excluding real estate investment trusts).

### 7.73 Aust Property ETF Fund

**Index:**
S&P/ASX 200 A-REIT Equal Weight Index in NZ dollars.

**Smartshares ETF:**
Australian Property Index Trust (ASP).

Other comments:
The Fund is exposed to the Australian dollar and the exchange rate movement is unhedged.

The S&P/ASX 200 A-REIT Equal Weight Index equally weights the constituents of the S&P/ASX 200 A-REIT, which tracks Australian real estate investment trusts (A-REITs).

### 7.74 Aust Resources ETF Fund

**Index:**
S&P/ASX 200 Resources Index in NZ dollars.

**Smartshares ETF:**
Australian Resources Index Trust (ASR).

Other comments:
The Fund is exposed to the Australian dollar and the exchange rate movement is unhedged.

Comprises those securities included in the S&P/ASX 200 Index in the resources sector.

### 7.75 Aust MidCap ETF Fund

**Index:**
S&P/ASX MidCap 50 Index in NZ dollars.

**Smartshares ETF:**
NZX Australian MidCap Index Fund (MZY).

Other comments:
The Fund is exposed to the Australian dollar and the exchange rate movement is unhedged.

The S&P/ASX MidCap 50 Capital Index comprises 50 entities ranked from 51 to 100 by market capitalisation and liquidity on the ASX.

### 7.76 Total World ETF Fund

**Index:**
FTSE Global All Cap Index in NZ dollars.

**Smartshares ETF:**
Total World Trust (TWF).

TWF in turn invests in the Vanguard Total...
World Stock Index Fund ETF Shares (VT).

**Other comments:**
The Fund is exposed to the foreign currencies and the exchange rate movement is unhedged.

VT and therefore TWF, gives investors a broad exposure to entities listed in developed and emerging markets by tracking the FTSE Global All Cap Index, which comprises large-, mid- and small-capitalisation entities, as determined by the index administrator, globally from both the developed and emerging markets.

7.77 **US S&P 500 ETF Fund**

**Index:**
S&P 500 Index.

**Smartshares ETF:**
US 500 Trust (USF).

USF in turn invests in the Vanguard 500 Index Fund ETF Shares (VOO).

**Other comments:**
The Fund is exposed to the US dollar and the exchange rate movement is unhedged.

VOO and therefore USF, gives investors exposure to 500 large entities listed on the NYSE or NASDAQ markets by tracking the S&P 500 Index (which is used as the main index for the American market).

7.78 **Europe ETF Fund**

**Index:**
FTSE Developed Europe All Cap Index in NZ dollars.

**Smartshares ETF:**
Europe Trust (EUF).
EUF in turn invests in the Vanguard European Stock Index Fund ETF Shares (VGK).

**Other comments:**
The Fund is exposed to the European currencies and the exchange rate movement is unhedged.

VGK and therefore EUF, gives investors a broad exposure to entities listed in developed European markets by tracking the FTSE Developed Europe Index, which comprises entities from developed European markets.

7.79 **Asia Pacific ETF Fund**

**Index:**
FTSE Developed Asia Pacific All Cap Index in NZ dollars.

**Smartshares ETF:**
Asia Pacific Trust (APA).

APA in turn invests in the Vanguard Pacific Stock Index Fund ETF Shares (VPL).

**Other comments:**
The Fund is exposed to the currencies of the countries in the Asia Pacific region and the exchange rate movement is unhedged.

VPL and therefore APA, gives investors a broad exposure to entities listed in developed Asia Pacific markets by tracking the FTSE Developed Asia Pacific All Cap Index, which comprises entities from developed markets, in Asia Pacific.

7.80 **US Growth ETF Fund**

**Index:**
CRSP U.S. Large Cap Growth Index in NZ dollars.

**Smartshares ETF:**
US Large Growth Trust (USG).

USG in turn invests in the Vanguard Growth Index Fund ETF Shares (VUG).

**Other comments:**
The Fund is exposed to the US dollar and the exchange rate movement is unhedged.

VUG gives investors exposure to large-capitalisation growth entities listed on the NYSE or NASDAQ markets by tracking the CRSP U.S. Large Cap Growth Index.
7.81 US Value ETF Fund

Index:
CRSP U.S. Large Cap Value Index in NZ dollars.

Smartshares ETF:
US Large Value Trust (USV),
USV in turn invests exclusively in the Vanguard Value Index Fund ETF Shares (VTV).

Other comments:
The Fund is exposed to the US dollar and the exchange rate movement is unhedged.
VTV gives investors exposure to large-capitalisation value entities listed on the NYSE or NASDAQ markets by tracking the CRSP U.S. Large Cap Value Index.

7.82 US MidCap ETF Fund

Index:
CRSP U.S. Mid Cap Index in NZ dollars.

Smartshares ETF:
US Mid-Cap Trust (USM)
USM in turn invests in the Vanguard Mid-Cap Index Fund ETF Shares (VO).

Other comments:
The Fund is exposed to the US dollar and the exchange rate movement is unhedged.
VO and therefore USM, gives investors exposure to mid-capitalisation entities listed on the NYSE or NASDAQ markets by tracking the CRSP U.S. Mid Cap Index.

7.83 US Small ETF Fund

Index:
CRSP U.S. Small Cap Index in NZ dollars.

Smartshares ETF:
US Small-Cap Trust (USS).
USS in turn invests in the Vanguard Small-Cap Index Fund ETF Shares (VB).

Other comments:
The Fund is exposed to the US dollar and the exchange rate movement is unhedged.
VB and therefore USS, gives investors exposure to small-capitalisation entities, as determined by the index administrator, listed on the NYSE or NASDAQ markets by tracking the CRSP U.S. Small Cap Index.

7.84 Emerging Markets ETF Fund

Index:
FTSE Emerging Markets All Cap China A Inclusion Index in NZ dollars.

Smartshares ETF:
Emerging Markets Trust (EMF).
This EMF in turn invests in the Vanguard Emerging Markets Stock Index Fund ETF Shares (VWO).

Other comments:
The Fund is exposed to the currencies of the emerging markets and the exchange rate movement is unhedged.
VWO and therefore EMF, gives investors a broad exposure to entities listed in advanced and secondary emerging markets by tracking the FTSE Emerging Markets All Cap China A Inclusion Index, including China A-shares.

7.85 Benefits

Benefits (savings, standard insurances, and voluntary insurances, if applicable), will be payable to you under the Plan in the following circumstances:

7.86 Savings benefits:
In respect of your contributions, (if any), and the Company’s contributions (if any), you will be entitled to benefits as follows:

(a) Retirement: If you retire in the circumstances as set out in the Schedule, you will become entitled to receive a retirement benefit as set out in the Schedule.
Under current legislation, if you attain age 65 and haven’t left employment and become entitled to a retirement benefit,
you may choose to leave your retirement benefit in SuperLife until you actually retire (or request payment, if earlier) although you will cease to be an Employee Member at age 65, and contributions and insurances in respect of the life insurance cover and the funeral benefit in respect of you, if applicable, will cease at that date. You will thereupon become an Individual Member.

(b) Death: If you die, while you are an Employee Member, a death benefit will be payable. The death benefit payable is as set out in the Schedule.

(c) Total & Permanent Disablement: If you become “totally & permanently disabled” (as defined in the insurance policy) while an Employee Member, a disablement benefit is payable as set out in the Schedule.

(d) Dismissal: If you are dismissed from service for reasons of fraud or gross misconduct (as certified by the Company) or resign or leave to avoid such dismissal, a dismissal benefit is payable as set out in the Schedule.

(e) Redundancy: If you leave work because your position is made redundant, as certified by the Company, you will become entitled to receive a redundancy benefit. The redundancy benefit payable is as set out in the Schedule.

(f) Leaving service for any other reason: If you resign voluntarily from the Company or leave service for any other reason and you are not entitled to any other benefit from the Plan, a resignation benefit is payable. The resignation benefit is equal to the value of your Member Account and your Voluntary Account as at the date of the payment of the resignation benefit, plus your “Vested Benefit” as defined in the Schedule.

7.87 The savings benefit is paid to you as a cash lump sum or can be retained by you in SuperLife and paid under the lump sum/managed withdrawal options of SuperLife or a combination of both. Any amount that you choose to retain in SuperLife will be paid into your Member Account in your name and you will become an Individual Member of SuperLife.

7.88 Any amount that you are not entitled to be paid from your Employer Account when you leave your Employer’s service will be credited to the Company’s Reserve Account within the Plan. The Company has discretion in the application of the Reserve Account in accordance with SuperLife’s trust deed.

7.89 The Company’s Reserve Account, if any, is invested in the Funds in proportions decided by the Company and is used by the Trustee (at the Company’s direction) to meet the permitted uses. These include paying the insurance premiums for the standard insurance benefits (if any) required for the employees of the Company, or paying all or part of the expenses of managing and administering the Plan, or meeting the Company Contributions.

7.90 Standard insurance benefits:
Separate to any savings benefits, you will be entitled to benefits as follows:

(a) Funeral benefit: If you die before age 65 while in the Service of the Company while an Employee Member, a funeral benefit as set out in the Schedule will be paid to your estate to help cover the costs of your funeral and the other financial needs at that time. The payment of the funeral benefit is subject to the receipt of the insurance from the insurer who insures this benefit.

The funeral benefit is paid as a lump sum.

(b) Death insurance: If you die before age 65 while in the Service of the Company while an Employee Member a “Death Insurance benefit” is payable. The Death Insurance benefit is as set out in the Schedule.

The payment of the Death Insurance benefit is subject to the receipt of the insurance from the insurer that insures this benefit.
(c) **Disability insurance**: If you become “totally & permanently disabled” (as defined in the insurance policy) while an Employee Member, a "Disability Insurance benefit" is payable. The Disability Insurance benefit is as set out in the Schedule.

The payment of the Disability Insurance benefit is subject to the receipt of the insurance from the insurer who insures this benefit.

(d) **Disability Income Insurance**: If you are off work for more than the "waiting period" as defined in the Schedule because of total but temporary disability while an Employee Member, a monthly insured income benefit ("Disability Income benefit") becomes payable as set out in the Schedule. The Disability Income benefit is paid for the "payment period" as set out in the Schedule.

The payment of the Disability Income benefit is subject to the receipt of the insurance from the insurer who insures this benefit.

(e) **Medical plan insurance**: Under the Plan, at the invitation of the Company, you can choose to have medical insurance, for you or for you and your family) from the options available as defined in the Schedule. If you choose to have medical insurance the Company will pay a "medical subsidy" as defined in the Schedule. Any cost over and above that met by the Company is payable by you by your direct voluntary contributions to the Plan or, as appropriate, is deducted from your Voluntary Account as agreed with the Trustee.

7.91 The provision of the standard insurance benefits under the Plan is subject in each case to the acceptance of cover by the insurance companies associated with the Plan, to the payment of amounts in respect of each such cover and to any specific or general limitations imposed by the insurance company in respect of all or any such cover.

7.92 **Voluntary Insurance benefits**: The Plan also provides access to voluntary insurance in respect of Death only, Death or Total & Permanent Disablement, and Temporary Disablement. In each case the insurance is available for you and/or your spouse/partners. Voluntary Medical Insurance is also available for you and/or your families.

7.93 The Voluntary Insurance benefits are payable separately from the savings benefits and the standard insurance benefits of the Plan, and the terms and conditions are subject to the arrangements made between you, the Trustee and the insurer of such benefits.

7.94 Subject to the provisions of the Schedule, the cost of such Voluntary Insurances is met by your direct voluntary contributions to the Plan.

7.96 When you cease to be an Employee Member, you can choose to continue to be an Individual Member and continue all or any of your voluntary and standard insurance benefits as applicable, subject to the arrangements made by the Trustee with the insurers of such benefits.

7.96 **Benefits are currently paid tax-free.**

7.97 When a benefit is payable, following your death the benefit will be paid by the Trustee to your nominated beneficiaries or, if no such nomination is made, to your estate.

7.98 No quantifiable amount of returns has been promised or guaranteed by us, the Trustee, MCA NZX Limited or Smartsashes. The person legally liable to pay the benefits is the Trustee.

8. **What are my risks?**

8.1 When you invest, there are always risks that the outcome is not what you expect. No-one guarantees the level of your future benefits and your risks include all the normal risks associated with investments, legislative change and reliance on third parties.
8.2 Most risks fall into two main risk groups. First there are the risks that result in the level of the ultimate benefit being inadequate (or less than you expected). Next there are the risks that result in something happening while you are a Member that gives you cause for concern (and possibly as a result you take an action that may not be in your best long-term interest).

8.3 Your ultimate benefit could be inadequate or less than you expected, because you did not save enough or because investment returns were negative, low or less than you expected, or because of inflation the purchasing power of the benefit is less.

8.4 However, you will never be required to pay any more money to the Plan than your agreed contributions including on the insolvency of SuperLife.

8.5 Can I get less than what I have contributed? Yes. Your benefits payable are based on the balance in your SuperLife Accounts which are made up of your contributions plus the employer contributions (if any) plus the investment earnings less fees and tax. Ordinarily, you can expect to receive total benefits from the Plan that are greater than the total of any contributions and payments that you make. It is however possible that the benefits paid to you could be less than the total of what you will have contributed.

This would occur if the total investment returns credited to your SuperLife Accounts after fees and taxes are negative and more negative than the amount of the payments by your employer (if any) that you are entitled to. See “understanding negative returns” below for more details.

8.6 If you get back less than you have contributed, it is more likely to occur if the period is short between when your contributions were paid and when the benefit is payable, and the periods of negative investment returns are not offset by the periods of positive investment returns and the payments made by your employer into your SuperLife Accounts. The risk of this therefore is expected to reduce over time.

8.7 Over the long-term (20 years plus), the total net investment returns are not expected to be negative. This expectation applies even for the investment options with higher allocations to more volatile investments like shares where they are part of a diversified portfolio, but a positive investment return is not guaranteed. However, it is also reasonable to expect that there will be shorter periods where the investment returns are negative and if one of these periods coincided with your membership period, you could get negative investment returns.

8.8 In summary, you could get less than what you have contributed, if one or more of the following applies:

- the period of time that you are in the Plan is short, and
- it occurs at a time when the investment returns applicable to the investment options you are invested in are negative, and
- you have not benefited from employer contributions, and
- your personal contributions and transfer values from other schemes form a significant part of your benefits, particularly where the timing of the transfer value was adversely affected by negative market movements.

8.9 To understand the possibility of getting a benefit that is less than what you have contributed, it helps to understand what might lead to negative investment returns.

8.10 Understanding negative returns

The investment returns credited to your SuperLife Accounts depend on: your Investment Strategy (your mix of cash, bonds, property and shares), how that Investment Strategy changes over time, what happens in the investment markets, the decisions of the investment managers and the fees and taxes deducted from the investment returns and from your SuperLife Accounts.
8.11 Under the Plan, you determine your Investment Strategy from the options available. Your decision on your investment strategy and what happens in the markets, are normally the key drivers of the investment returns you will receive. With the SuperLife, the other decisions (the choice of investment managers and the fees) generally have less of an impact on the investment outcome.

8.12 Under the Plan, each investment is valued each valuation day to be equal to the amount that the investment manager expects to receive should the investment be sold. In the normal operation of the investment markets, the value of an investment fluctuates (goes up and down in value) depending on the type of investment (cash, bonds, property or shares) and what buyers are willing to pay. In each case, negative returns can arise if the value of the investment goes down i.e. the amount that investors are willing to pay to buy the investment is less than previously. This might be because the investment is genuinely worth less, or simply because the current demand to buy the investment is lower.

8.13 Each type of investment (i.e. cash, bonds, property and shares), while expected to produce a positive return on average, can produce a negative return for a given period. Each type of investment is exposed to specific and general factors that can give rise to the value of the investment going down.

8.14 Shares
A share may go down because of specific factors relating to that company (e.g. poor company management, reduced profit outlook) or factors affecting shares generally including an economic down-turn, political and legislative change and changes in the demand for shares.

8.15 Property
Property may go down because the value of the properties invested in (directly or indirectly) go down. This may be due to factors such as location, use, legislative change or a reduction in property values generally. Share market conditions will also impact on investments in listed property company shares.

8.16 Fixed interest (bonds and cash)
Fixed interest investments may go down because borrowers may not meet their obligations of interest payments or capital repayments, as well as because interest rates increase so that the price of an existing bond, or cash investment, reduces.

8.17 Other common factors that may result in the values of investments reducing include:

8.18 Confidence
Confidence levels of investors may reduce and as a result the demand for the investment reduces and the market price goes down.

8.19 Economic downturn
Economic conditions in a country may worsen and have an impact on the values of investments which cannot be predicted.

8.20 Exchange rate movement
When an investment is made in an overseas market, currency movements will affect the value in New Zealand dollars. If the New Zealand dollar strengthens (goes up) the value in New Zealand dollars of the overseas asset goes down, unless the foreign currency risks have been hedged.

8.21 Liquidity
There is a risk that SuperLife may not be able to meet monetary obligations in a timely manner. This risk arises when there is a mismatch between the cash flow profile of the investments and the amounts required to pay benefits. The most likely reason would be events beyond the control of us or the investment managers, such as a global financial crisis.

8.22 Tax
If the tax payable increases, the immediate effect may be to reduce the profits of a company and therefore the market value may go down.
8.23 Collectively, the factors may result in negative returns from investments from time to time and negative returns may continue for a period of time.

8.24 The likelihood that the total investment return over the period of the investment being negative reduces as the period of investment increases because the negative returns in one period are offset by positive returns in another.

8.25 Based on the historical returns of the market indices, we expect that the likelihood of your receiving a negative return over different periods is as set out in Table 2. In Table 2, we have set a rating system described in Table 1.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Definition</th>
<th>Expected frequency of a negative return for the period shown, in 20 such periods.</th>
</tr>
</thead>
<tbody>
<tr>
<td>VL</td>
<td>Very Low</td>
<td>0 to 0.25</td>
</tr>
<tr>
<td>L</td>
<td>Low</td>
<td>0.26 to 0.50</td>
</tr>
<tr>
<td>LM</td>
<td>Low to Medium</td>
<td>0.51 to 1.00</td>
</tr>
<tr>
<td>M</td>
<td>Medium</td>
<td>1.01 to 2.00</td>
</tr>
<tr>
<td>MH</td>
<td>Medium to High</td>
<td>2.01 to 3.99</td>
</tr>
<tr>
<td>H</td>
<td>High</td>
<td>4.00 to 5.99</td>
</tr>
<tr>
<td>VH</td>
<td>Very High</td>
<td>6 or more</td>
</tr>
</tbody>
</table>

8.26 The rating scale used is only an indication of the number of times you would expect the returns to be negative for the subperiod shown, over 20 such periods. The periods are assumed to be nonoverlapping. For example, if the rating is “Medium” and the period is 3 years, we think that over 20 3-year periods, there should be no more than 1 to 2, 3-year periods when the total return for those three years is negative. For the other 3-year periods, it should be positive.

8.27 It is important to recognise that while the frequency of a negative return is low, it does not mean that it will not occur. It will occur, but not very often.
8.28 The risk of a negative return is the main risk which could lead you not to get back more than you have contributed. There are also other risks that you should be aware of when investing:

- Inflation: Inflation reduces the future spending power of your savings. If the investment returns are positive but below the rate of inflation, while you will get back more than you contributed it will not buy the same level of goods and services.

- Insufficient wealth: Not having sufficient savings to provide for the retirement you expected, due to your total accumulated savings being too low due to insufficient savings, or due to the investment returns being below expectation.

- Third party: When you invest in the Plan, you are investing in a product that is dependent on our style of investing, the quality of our management and the controls we operate to manage risk, and on the Trustee’s oversight and governance of us. The risk that you get back less than you expect could be because of a failure in our, the Trustee’s, or the ultimate investment managers’ performance.

8.29 Could I not receive the returns referred to under “what are my returns”?
The returns referred to under the section “what returns will I get?” relate to the nature of returns and the factors that determine the returns. In each case, the benefit is based on the rules applicable to you under the Plan and the balance in your SuperLife Accounts. There are no guarantees in respect of the level of the benefits.

8.30 In most cases, you will receive the relevant benefit when it is due to be paid. However, there are some circumstances where this might not occur. If there were a system or process failure either within us, or other industry organisations (e.g. the banking sector, share brokers, exchanges or investment managers), it is possible that payment could be delayed and not paid when you expect. This may be due to a technology or other failure including through “acts-of-God”. You should not spend or commit to spend any benefit, until it is received, as there is always a risk of unforeseen circumstances and system or process failures and legislative change.

8.31 You should also be aware that:

- the government may change the rules relating to benefits and as a result the benefits expected to be payable change, including reduce, or become taxable.

- the government may change the rules relating to contributions and as a result, contributions are higher or lower and therefore balances are higher or lower.

- the court may place an order on the Plan to pay all or part of your benefit to another party. For example, under bankruptcy provisions or Property (Relationships) Act 1976 settlements.

8.32 The benefits that you receive may also be less than you expect, because the investment returns paid to your SuperLife Accounts are less than what you expected. No one guarantees you a particular investment return.

8.33 Will I be required to pay more money than that required under “How much do I pay?” or if the Trustee or the Plan become insolvent?
No. Unless the government changes the legislation or a Court orders you to do so, you will never be required to pay more money than required under “How much do I pay?” and you will not be required to pay any more money to the Plan should the Trustee or the Plan become insolvent.

8.34 Bankruptcy
On your bankruptcy, your SuperLife arrangements continue as normal in terms of contributions, insurances and options, but your SuperLife Account balances become vested in the official assignee and the official assignee may make decisions in respect of your membership. In most cases we would expect that the official assignee will request payment of the maximum amount that is available to be paid. Where your full SuperLife Accounts are not payable, because of your company’s
specific employer arrangements, when you ultimately leave the Company and become entitled to a benefit, the benefit payable based on these account balances is paid to the official assignee. While you are in bankruptcy your Member Contributions (if any) and the Company Contributions are paid to your SuperLife Accounts. It is up to you to decide with the official assignee whether or not you continue to contribute during this period.

8.35 On your discharge from bankruptcy new accounts will be set up in your name and your subsequent Member Contributions (if any) and any Company Contributions from this date will be paid to the new accounts. When you ultimately leave your employer you will receive the standard benefit based on the balances in the new accounts.

8.36 Termination
The Trustee can dissolve the Plan and the Plan will be dissolved if the Trustee goes into liquidation and no replacement trustee is appointed. If the Plan is dissolved, the Trustee first keeps enough to pay the winding up costs and any tax and other liabilities. After those costs have been met, you will get your share of the remaining assets in each Fund in equal priority and in proportion to the amount in your SuperLife Accounts in that Fund. You will not have to pay any further amounts on dissolution.

9 Can the investment be altered?

9.1 You may change the level of your Member Contributions and your Voluntary Contributions to the Plan at any reasonable time subject to the requirements for Member Contributions as set out in the Schedule.

9.2 If you continue as an Individual Member, when you cease to be an Employee Member, you may change the level of your contributions to SuperLife at any reasonable time by contacting us.

9.3 As an Employee Member, or an Individual Member, you may also change your chosen Investment Strategy and your Voluntary Insurance at any reasonable time.

9.4 The Trustee may change any provision of the trust deed at any time, as long as it complies with the Superannuation Schemes Act 1989. The Company can also change the provisions relating to the future contributions and benefits that flow from those contributions under the Plan at any time.

10 How do I cash in my investment?

10.1 You will normally receive a benefit from the Plan only when you leave service or attain age 65. However, unless the Schedule sets out alternative provisions, you can receive payment of some or all of your Voluntary Account, on giving the Trustee notice in writing of your wish to receive that.

10.2 In special circumstances, set out in the Schedule you may be eligible for an "Access benefit" from your Member Account and/or Employer Account while you remain in service. Where an Access benefit is payable the amount and the terms are as set out in the Schedule.

10.3 You may, if you leave the employment of the Company, request the Trustee to transfer your benefit to another scheme of which you become a member.

10.4 If you remain as an Individual Member of SuperLife, you will be entitled to receive a benefit from your Member Account under SuperLife on giving the Trustee written notice.

10.5 You may not assign, mortgage, charge, transfer, or attempt to assign, your interest in SuperLife, or allow an event to occur that causes your benefit entitlement to vest in another person.
11. Who do I contact with enquiries about my investment?

11.1 You should contact us. We can be contacted at:

SuperLife House, 41 Charlotte Street
Eden Terrace, Auckland 1021
PO Box 8811, Symonds Street,
Auckland 1150

Telephone: (09) 375 9800
Email: Superlife@Superlife.co.nz

12. Is there anyone to whom I can complain if I have problems with the investment?

12.1 If the complaint is about us:
You should send your complaints in writing, in the first instance to us at the address above. We will try to resolve your complaint under our internal dispute resolution process and in the event we cannot, you have the right to refer your complaint to our external dispute resolution service:

The Financial Dispute Resolution Service
Freepost 231075
PO Box 5730
Wellington 6145

Telephone no: 0508 337337
Email: enquiries@fdr.org.nz

12.2 If the complaint is about the Trustee:
You should send your complaint in writing in the first instance to the Trustee at the address under 11.1. The Trustee will try to resolve your complaint under its internal dispute resolution processes and if it cannot, you have the right to refer your complaint to the Trustee’s external dispute resolution service:

The Financial Dispute Resolution Service
Freepost 231075
PO Box 5730
Wellington 6145

Telephone no: 0508 337337
Email: enquiries@fdr.org.nz

13. What other information can I obtain about this investment?

13.1 SuperLife’s financial statements and registered prospectus have more information about us, SuperLife and the Trustee. A copy of SuperLife’s most recent financial statements and prospectus may be obtained free of charge from us at our address. They are also available on our Web site at www.SuperLife.co.nz.

13.2 SuperLife’s financial statements, registered prospectus and other documents are filed on a public register at the Companies Office of the Ministry of Business, Innovation and Employment, 135, Albert Street, Level 18, Auckland and are available for public inspection (including at www.companies.govt.nz).

13.3 You will receive regular benefit statements and also SuperLife’s annual report (that will include a summary of SuperLife’s financial statements) and newsletters from time to time.

13.4 At any time, you can contact us to see SuperLife’s most recent annual report, trust deed and investment statement. They are also available on our Web site at www.SuperLife.co.nz. You can have a copy of the trust deed free of charge.
14 Taxation – PIRs

14.1 SuperLife is a PIE. We therefore deduct tax at your PIR rate from the taxable investment income attributed to you. We pay the tax to IRD. Currently, PIRs can be 10.5%, 17.5% or 28%. 28% is the maximum tax rate that can apply. If you earn above $48,000, it is generally 28%. However, if you earned less than $48,000, in any one of the last two financial years, it may be 10.5% or 17.5%.

14.2 Use the PIR flowchart for each of the last two financial years (1 April to 31 March). Use the answer that is the lower.

14.3 The PIR that we currently hold for you is shown on your statements. You can also see it on the Internet if you are registered for Internet access, or you can phone us.

14.4 Subject to what the law requires, we will continue to use your last advised PIR, until you tell us to use a new one. If your PIR changes, you need to tell us. Each year (March is a good time) you should review your PIR and tell us if it should be changed.

14.5 To change your PIR:
- Email Superlife@Superlife.co.nz and include your name, date of birth and your IRD number, or
- Fill out a PIR advice form and send it to us. You can find it on our website under “forms”, or phone 0800 27 87 37 and ask us to send you one.

Note: the new PIR will generally apply from the date that you advise us.

14.6 Commonly asked questions?

14.7 What if my PIR is wrong?

If you tell us that your PIR is lower than it should be (e.g. 17.5% when it should have been 28%), we will deduct tax at the lower rate. If your PIR should be higher, the IRD could ask you to pay the extra tax (plus penalties).

If you tell us that your PIR is higher than it should be (e.g. 28% when it should have been 17.5%), we will deduct at the higher rate. In this case you cannot get a refund from the IRD.

You should complete the PIR advice form correctly and review it each year to keep it up-to-date.

14.8 What if my income changes?

If your income changes during a year, it does not affect your PIR until the next year at the earliest. Your PIR is based on your annual income in the last two years. You use the year that gives you the lower PIR.

14.9 Does my PIE income affect my own tax returns?

No. As long as you have advised us of your correct PIR, the appropriate tax will be deducted from the taxable investment income allocated to your SuperLife Accounts. There will be no more tax to pay and it doesn’t affect your tax return.

PIR flowchart

<table>
<thead>
<tr>
<th>Was your total taxable income for the year $14,000 or below?</th>
<th>Yes</th>
<th>Was the sum of your total taxable income and your total PIE income for the year below $48,000?</th>
<th>Yes</th>
<th>Your PIR is:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Was the sum of your total taxable income and your total PIE income for the year below $70,000?</td>
<td>Yes</td>
<td>10.5%</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Was your total taxable income for the year $48,000 or below?</td>
<td>Yes</td>
<td>17.5%</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Was the sum of your total taxable income and your total PIE income for the year below $70,000?</td>
<td>No</td>
<td>28%</td>
</tr>
</tbody>
</table>

*Unless you have a substantial savings balance (e.g. over $250,000) it is unlikely that your total PIE income will be enough to get you over the $48,000/$70,000 threshold as applicable. The test will most likely depend on your Total Taxable Income.
15 **Address and identity verification**
We are required by law to verify the address and identity of each member of SuperLife. You can do this by sending us the appropriate verified documents or by asking us to verify your address and identity electronically. To do that you need to indicate on your membership form that you want us to do it electronically or phone us on 0800 27 87 37 and provide details of your NZ passport or NZ driver’s licence or NZ birth certificate. If you do not verify your address and identity electronically, then:

15.1 **For your residential address**
To verify your residential address, you must give us one of the approved documents (box 1) that show your name and address. It must be less than three months old. If you send us a copy of the document it must also be verified (see step 3). If you change address, you will need to verify your new address.

15.2 **For your identity**
To verify your identity, choose the documents from one of the three options (a, b or c) in box 2.

15.3 **Get your documents verified**
Your documents must be sighted and verified. Employees of SuperLife Limited can do this for you. Alternatively, ask one of the people listed in box 3.

15.4 **The person verifying your documents must sight the original document(s) and make a statement on a photocopy of those document(s) that “these documents are a true copy of the originals and verify the identity and/or address of (…your name…)”**.

15.5 They must date the certification and include their name, occupation, phone number and signature. The verification must have been done within the 3 months prior to you sending us the copy of the documents.

15.6 **Mail your verified documents to us**
Mail your verified documents and address confirmation document to us with your membership form. We must get the actual certified copy of the originals.

Freepost 108442, SuperLife Limited, PO Box 8811, Symonds Street, Auckland 1150

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**Box 1 - Approved documents for your residential address includes:**
A utility bill (e.g. a power, water or telephone bill), a bank statement, any mail addressed to you by a NZ government agency, a letter from your employer on their letterhead, or a tenancy agreement.

**Box 2 - Documents to verify your identity**
Choose one of a, b or c:

(a) **Any one of:**
- Your passport
- NZ certificate of identity
- NZ refugee travel document
- Emergency travel document
- NZ firearms licence
- National ID card (if it has your signature or other relevant biometric information)

(b) **Your NZ driver’s licence**
Plus

Any one of:
- Debit or Credit card
- Eftpos card
- Bank statement issued by a registered bank
- SuperGold card
- NZ Defence photo ID
- Police photo ID
- Community services card

(c) **Any one of:**
- Full birth certificate
- Certificate of citizenship

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**Box 3 - People who can verify your documents**
A sworn NZ police officer, Justice of the Peace, registered medical doctor, kaumatua, registered teacher, minister of religion, lawyer, notary public, NZ Honorary Consul, Member of Parliament, NZ chartered accountant or commonwealth representative.

A family member or close relative or anyone you reside with, cannot verify your documents.
16 Glossary

**Act:** Superannuation Schemes Act 1989.

**ASX:** Australian Stock Exchange.

**Aventine:** Aventine Group Limited.

**Company:** An employer who joins SuperLife under the Plan specified in the Schedule.

**Employer Account:** An investment account held in the name of an Employee Member for employer contributions with investment earnings.

**Ethical Fund:** A Fund that is a responsible investment option.

**ESCT:** Employer superannuation contribution tax.

**ETF:** Exchange traded fund.

**ETF Fund:** A Fund that invests in an ETF.

**FMA:** Financial Markets Authority.

**Forsyth Barr:** Forsyth Barr Limited.

**Fund:** An account in respect of each of the major classes of investment assets or strategies that is offered as an investment option in SLSS.

**Investment Consultant:** MCA NZ Limited.

**Investment Strategy:** The combination of the Funds that you choose to have your SuperLife Account invested in.

**IRD:** Inland Revenue Department.

**KS Act:** KiwiSaver Act 2006.

**Managed Fund:** A Fund that is a combination of the other Funds and has a managed investment strategy.

**MCA:** MCA NZ Limited, investment consultant to us.

**Mix:** A strategy that allocates the Member’s SuperLife Accounts between the different Funds.

**Member:** A person who has joined SuperLife and currently has money in the SuperLife Accounts or has SuperLife Insurances. A member may be an Employee Member, an Individual Member or a Spouse/partner Member.

**Member Account:** An investment account held in the name of a Member for Member contributions with investment earnings.

**Nikko:** Nikko Asset Management New Zealand Limited.

**NZSE:** New Zealand Stock Exchange.

**NZX Limited:** NZX Limited.

**PIE:** Portfolio Investment Entity.

**PIR:** Prescribed Investor Rate.

**Plan:** The SuperLife arrangements as defined in the Schedule.

**Related Underlying Fund:** An underlying fund that is managed by an investment manager that is, related to us.

**Schedule:** The schedule to this investment statement that contains the SuperLife arrangements applicable to an employee under the Plan.

**Sector Funds:** A range of funds that are sector options (cash, bonds, property and shares).

**SLSS:** The registered superannuation scheme SuperLife (AS/1068).

**Smartshares:** Smartshares Limited.

**Somerset:** Somerset Capital Management LLP.

**SSgA:** State Street Global Advisors Australia Limited.

**SuperLife Accounts:** The savings accounts that your savings are accumulated in with investment earnings. You may have a Member Account, Employer Account and Voluntary Account.

**SuperLife Insurance:** The insurance benefits you have under the arrangements of the Plan or you choose to take out under SuperLife.

**Trustee:** SuperLife Trustee Limited.

**Underlying Fund:** An investment fund that one or more of the Funds invests in and is managed by an investment manager.

**Vanguard:** Vanguard Investments Australia Limited.
Voluntary Account: An investment account held in the name of a Member for voluntary contributions with investment earnings.

We, us, our or Manager: SuperLife Limited.
# Appendix 5 – Schedule to the Investment Statement

## The Reformed Churches of New Zealand Savings Fund
**Investment statement – schedule**

SuperLife’s superannuation scheme (AS / 1068)

1 July 2016

<table>
<thead>
<tr>
<th>S1</th>
<th>Organisation</th>
<th>The Reformed Churches of New Zealand, and for the purposes of this investment statement is the “Company”.</th>
</tr>
</thead>
<tbody>
<tr>
<td>S2</td>
<td>Effective Date</td>
<td>1 July 2016</td>
</tr>
<tr>
<td>S3</td>
<td>Plan name</td>
<td>The Reformed Churches of New Zealand Retirement Savings Fund (“the Plan”).</td>
</tr>
</tbody>
</table>

**Contributions**

<table>
<thead>
<tr>
<th>S4</th>
<th>Member Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>As a Member, you do not have to contribute to become entitled to the Employer Contributions and the standard insurance benefits.</td>
<td></td>
</tr>
<tr>
<td>If you choose to contribute, you determine the level of your regular contributions subject to the rules that the Organisation sets from time to time.</td>
<td></td>
</tr>
<tr>
<td>The regular contributions that you make are your “Member Contributions” and accumulate in your Member Account.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S5</th>
<th>Employer Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>The “Employer Contributions” in respect of you, are as determined by the Organisation and announced to you from time to time. The Employer Contributions includes employer superannuation contribution tax (“ESCT”).</td>
<td></td>
</tr>
<tr>
<td>The Employer Contributions in respect of you stop when you leave the Organisation’s service.</td>
<td></td>
</tr>
</tbody>
</table>

**Fees & investments**

<table>
<thead>
<tr>
<th>S6</th>
<th>Dollar administration fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>The dollar administration fee while you are a Member is as specified in paragraph 6.1(a)(i) of the investment statement. This fee is deducted from your Employer Account.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S7</th>
<th>Default Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>The current Default Mix is the investment option known as SuperLife® Sage Stead Fund.</td>
<td></td>
</tr>
</tbody>
</table>

**Savings benefits**

<table>
<thead>
<tr>
<th>S8</th>
<th>Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>You are entitled to a retirement benefit when you retire from the Organisation on or after your Normal Retirement Date (i.e. the date of your 65th birthday). Early retirement benefits are available and as determined by the Organisation and announced to you from time to time.</td>
<td></td>
</tr>
<tr>
<td>The retirement benefit is, if applicable, equal to the value of your SuperLife Accounts as at the date of the payment of the retirement benefit.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S9</th>
<th>Death benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>The death benefit is, if applicable, equal to the value of your SuperLife Accounts as at the date of the payment of the death benefit.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S10</th>
<th>Total &amp; Permanent Disablement benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>The disablement benefit is, if applicable, equal to the value of your SuperLife Accounts as at the date of the payment of the disablement benefit.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S11</th>
<th>Dismissal</th>
</tr>
</thead>
<tbody>
<tr>
<td>The dismissal benefit is, if applicable, equal to the value of your Member Account plus a proportion of your Employer Account (if any) equal to the Vested Benefit, both determined as at the date of the payment of the dismissal benefit.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S12</th>
<th>Redundancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>The redundancy benefit is, if applicable, equal to the value of your SuperLife Accounts as at the date of the payment of the redundancy benefit.</td>
<td></td>
</tr>
</tbody>
</table>
S13 Vested Benefit

The Vested Benefit, if applicable, is equal to the vesting scale times your Employer Account at the date of payment of the Vested Benefit.

The vesting scale is determined by the Organisation and announced to you from time to time. The maximum Vested Benefit is equal to your Employer Account balance at the date of payment of the Vested Benefit.

S14 Funeral benefit

There is no funeral benefit.

S15 Death Insurance benefit

The Death Insurance benefit for you is equal to the amount determined by the Organisation and announced to you from time to time.

The payment of the premium for the Death Insurance benefit will be deducted from your Employer Account.

S16 Disablement Insurance benefit

The Disablement Insurance benefit for you is equal to the amount determined by the Organisation and announced to you from time to time.

The payment of the premium for the Disablement Insurance benefit will be deducted from your Employer Account.

S17 Disability Income Insurance benefit

The Disability Income Insurance benefit is nil.

S18 Medical subsidy

The medical subsidy is nil.

S19 Voluntary insurance

There are no special arrangements for voluntary insurance. The standard SuperLife voluntary insurance arrangements apply.

The premiums for voluntary insurance may be met by your option, to the extent possible, by deduction from your Member Account.

S20 Access benefit

Access benefits are permitted in the case of financial hardship as determined by the Trustee in accordance with the rules set by the Organisation from time to time. The payment of a benefit on financial hardship is subject to the Organisation’s consent. If payable, the benefit is equal to the amount required to alleviate the financial hardship subject to a maximum of the amount standing in your Employer Account.

S21 Special conditions

- Sister organisations

  If a Member leaves the Organisation and moves to a "sister organisation" (as determined by the Organisation), then any benefit otherwise payable shall not be payable and the Member will remain a Member. The benefit subsequently payable, and the time of payment will be as determined by the Organisation and announced to you from time to time. The Death Insurance benefit and the Disablement Insurance benefit from the date that the Member leaves the Organisation and moves to the sister organisation is nil.

- Other

  There are no other special provisions.
Appendix 6 – Sample Correspondence to Members

Emeritus Fund
of the Reformed Churches of New Zealand
PO Box 1002, Pukekohe 2340

Mr C Young (convener)
Mr W Kingham
Mr M Leenders
Mr J Ploeg
Rev M Willemse

4 May 2016

To: Rev Tom Member

Important information about your future benefit entitlements

Dear Member

As we promised when we wrote to you on 11 March 2016, we are now writing to you again to explain what we, as Trustees, are proposing in relation to the future of The Reformed Churches of New Zealand Emeritus Fund (the Fund) and the consequent implications for its pensioners, deferred pensioners and, those members who are ministers and missionaries currently in the service of the Reformed Churches of New Zealand (collectively Beneficiaries).

The current situation
The Fund is a defined benefit superannuation scheme which offers ministers and missionaries a pension when they retire from service with the Reformed Churches of New Zealand (the Churches). The pension depends on the length of active service and currently increases annually in line with inflation. In addition, prior to reaching normal retirement age, members (and their spouses) are entitled to benefits on death and permanent disability.

Why do things need to change?
The Government has made sweeping changes to the way it regulates the financial markets following the establishment of the Financial Markets Authority (FMA). The legislation that currently governs the Fund (the Superannuation Schemes Act) has been replaced by the Financial Markets Conduct Act (the Act). The Fund would need to comply with this new legislation by 1 December 2016 or be wound up prior to this date.

The Act will significantly increase the time and cost required to operate the Fund, making it an unsuitable and very expensive method of delivering retirement savings. This new environment imposes far more onerous operating and reporting requirements than those of the previous legislation, and significant transition costs, making the position of smaller schemes like our Fund untenable. We estimate that the compliance costs alone would be in the region of $110,000 for the Fund’s first year of operation under the new legislation.

The Trustees have therefore concluded that the best option would be to wind up the Fund and establish a new retirement savings plan for Beneficiaries. This is not a decision that the Trustees can take alone and the Churches (by way of Synod) will also need to endorse this proposal in order for it to proceed. We are therefore seeking the agreement of Synod, when it meets on 10 June 2016, to wind up the Fund with effect on 30 June 2016. This would enable us to avoid the significant cost of complying with the Act and to minimise legal, actuarial and audit costs and so conserve the assets already accumulated in the Fund.
How will the Churches provide for retirement savings in the future?

In February 2016, the Synodical Interim Committee (SIC) established the Future Retirement Savings Committee (FRSC) to investigate alternative vehicles to replace the Fund. SIC appointed Colin Young (Convenor), Sarah Bryant, Wayne Kingham, Martin Leenders, Jacob Ploeg and Michael Willemse as members of this committee.

The FRSC has concluded that the best way to continue to provide for ministers and missionaries in their retirement is to establish a retirement savings fund under a Master Trust (i.e. a multiple employer scheme operated by a professional financial services provider). Their reasons for this are:

- We can set our own benefit design, simplifying it and making it more easily understood.
- We can establish membership rules wide enough to include missionaries serving overseas and ministers who are not NZ citizens, and flexible enough to cater for the movement of ministers and missionaries into and out of our denomination.
- A Master Trust is a relatively efficient savings vehicle – and it allows access to wholesale investments at comparatively low fees.

There are currently around five (this number is somewhat fluid) Master Trust providers operating in NZ. The FRSC sought proposals from all of the major providers (AMP, SuperLife, ASB, Mercer and Fisher Funds) and carefully interviewed a shortlist of two (AMP and SuperLife). As a result the FRSC is recommending to Synod:

1) That we establish “The Reformed Churches of New Zealand Retirement Savings Fund” (the New Fund) to provide retirement and other benefits for Beneficiaries.

2) That we appoint SuperLife Limited (SuperLife) as the manager and day-to-day administrator of the New Fund under the SuperLife Master Trust registered superannuation scheme (AS1068).

Briefly, the FRSC’s reasons for choosing SuperLife are:

- SuperLife is the 2nd largest Master Trust provider in NZ and we understand it is the fastest growing.
- SuperLife is a well-resourced and well-managed company wholly owned by NZX Limited, the shares of which are 37.2% owned by the Reserve Bank of New Zealand.
- They are confident that SuperLife is already in a position to comply with the Act.
- SuperLife’s annual administration fees and investment management fees are very competitive.
- SuperLife is independent of investment fund managers and holds investments at arm’s length. They can fire investment managers and hire others if they do not perform. (Copies of the SuperLife Investment Statement and Schedule are attached as Supplement 6 and 7.)
- SuperLife has made it easy to design flexibility into the benefits for the Beneficiaries.
- SuperLife provides excellent member communication material so that you can easily track your retirement savings.

Master Trust arrangements are very portable. Should the Churches become unhappy with the performance of SuperLife it is an easy and inexpensive process to transfer from one provider to another.

The New Fund would be managed according to the rules we establish with SuperLife, who would be responsible for the day-to-day management of the New Fund and for complying with the Act. The FRSC is also recommending Synod establish a committee to be known as the “Superannuation Committee” which would be responsible for liaising with SuperLife, monitoring the New Fund’s investment performance, managing ministers’ and missionaries’ movements in and out of the New Fund, responding to their enquiries, reporting to Synod and so on.
What about KiwiSaver?

As part of its work, the FRSC canvassed ministers and missionaries currently in the service of the Churches and found that almost all were members of KiwiSaver. They considered whether the Churches should simply divert to KiwiSaver accounts (as top-ups) the contributions which they are currently paying to the Fund for ministers and missionaries. However, they rejected that option at this time for several reasons:

- The Fund is currently in a strong financial position having accumulated a sizeable surplus. Moving to KiwiSaver alone at this stage would not allow us to retain this surplus for the purpose of providing for ministers and missionaries in their retirement.
- Missionaries serving outside NZ are not eligible to be in KiwiSaver and this mechanism would not allow us to provide for them.
- Some ministers who come to us from overseas are also not eligible to join KiwiSaver and would also fall outside such an arrangement.
- KiwiSaver is less flexible than a workplace savings scheme such as the Fund or the proposed new Fund, as (with limited exceptions) it locks members’ savings in until New Zealand superannuation age, whereas a workplace savings scheme can pay leaving service benefits at any age.

Having said that, KiwiSaver also has some advantages. It may be that KiwiSaver can provide the necessary retirement savings benefits for our ministers and missionaries at some point in the future. However, the FRSC does not anticipate KiwiSaver being a realistic option at least until the employer’s reserve account is exhausted.

How does the New Fund differ from the old?

The New Fund is an accounts-based retirement savings plan, where various investment accounts are held in your name. It is part of a much larger Master Trust and much of the cost associated with its operation can be shared across many other plans established within the Master Trust. This makes for a much more administratively and cost efficient retirement savings vehicle.

Supplement 3 outlines the proposed new benefit design. Again, this is subject to the approval of Synod.

Contributions made by the Churches to the New Fund will go into each member’s Employer Account. Ministers and missionaries currently in the service of the Churches, and deferred pensioners will also be permitted to make their own voluntary contributions into their Member Account. Both the member’s Employer Account and their Member Account will be invested in the Churches’ choice of investments.

The main difference between the current Fund and the proposed New Fund will relate to the base on which retirement benefits are calculated and paid. The present Fund is structured to provide a fixed pension amount for the life of a retired minister or missionary (i.e. it provides a defined benefit at retirement which is payable for life). The New Fund would be a defined contribution plan from which benefits would be paid as lump sums (i.e. the Churches’ contributions would be fixed and, at retirement, ministers and missionaries would receive the total of contributions and accumulated investment income less expenses). This is the same basis on which KiwiSaver (and virtually every other retirement savings scheme currently on offer to new joiners) works. Some key points for noting in this regard are:

- Defined benefit schemes operate on the principle of unallocated funding – assets are not allocated to individual members, but are pooled together for all members’ benefit.
- In a defined contribution scheme, retirement benefits are simply based on accumulated contributions, together with allocated net investment earnings (and those contributions and earnings are allocated to an account maintained for each individual member).
- Defined benefit and defined contribution schemes feature different risks and rewards:
in a defined benefit scheme, the risks (generally investment returns and pensioner life expectancy) are mainly taken by the employer, but it receives the reward from any overfunding (in the form of a lower level of employer contributions); and

- in a defined contribution scheme, members take investment risks (including as to poor or negative returns) but take the rewards from any investment outperformance.

The new Fund will pay tax on its investment earnings (the current Fund has a charitable purposes-based income tax exemption).

However, the FRSC has aimed at providing benefits under the New Fund which are comparable to or better than the existing benefits. They are also proposing that Churches’ contributions to the New Fund will take into account contributions already being made to KiwiSaver or a similar superannuation fund. Given the fundamental differences in design, an accurate “apples for apples” comparison is not possible. However, the recommended contribution rate by Churches is based on providing a sum at retirement roughly equivalent to that provided by the current scheme assuming 20 or more years’ service.

As already mentioned, under the New Fund, a lump sum payment would be made at retirement rather than a pension. Members can mimic a pension by setting up a regular draw down equal to what their pension would have been (or some other amount) from their SuperLife account rather than receiving their entitlement as a lump sum. This draw down would continue until the member’s accounts were exhausted.

A more detailed comparison between the benefits of the Fund and the New Fund is included as Supplement 3. We recommend that you read this carefully and that you contact us with any questions you may have. You may also wish to seek independent financial advice about the impact of the changes. While every effort has been made to describe the benefits simply and accurately, the respective trust deeds are the legal documents which specify the benefits payable and the terms of those trust deeds prevail over the descriptions in this table.

Do I need to transfer to the New Fund?
All Beneficiaries other than current pensioners will be required to join the New Fund. Current pensioners can voluntarily join.

What needs to happen to wind up the Fund and transfer my entitlement to the New Fund?
The current Winding Up clause stipulates that, if the Fund is wound up, the Trustees must purchase an annuity (pension) for each member equivalent to the pension they would have received from the Fund. This is an outdated (and usually inefficient) approach to providing for retirement and there are no longer any annuity providers in the NZ market – so we are unable to comply with the Winding Up clause as it stands. Instead, we are proposing that Beneficiaries’ wind-up entitlements (which will be amounts certified by the Fund’s actuary as at least equivalent to the actuarial reserve held in the Fund in respect of each Beneficiary) are transferred to the New Fund. The wording of the Winding Up clause needs to be changed to allow this to happen.

We have attached as Supplement 4, a document which compares the existing Winding Up clause from the Trust Deed to the changed clause that is necessary to allow members to transfer. The Deed of Amendment which will need to be signed at synod and which shows the new Winding Up clause in its entirety is included as Supplement 5. In broad terms, these changes are intended to allow:

- Members still in service and deferred pensioners to transfer to the New Fund (sub clause d).
- Pensioners to transfer to the New Fund (sub clause e).
- Pensioners who do not wish to transfer to receive a lump sum (sub clause g).
- Such transfer (sub clause f) or payment (sub clause h) to constitute the member’s full entitlement.
- The Fund surplus to be transferred to a reserve account in the New Fund (sub clause i)
- Some other minor changes to recognise the new legislative environment and to accommodate the above.
We need the approval of all existing members to make these changes to the Trust Deed.

**How much is my entitlement at 30 June 2016?**
The Fund’s Actuary has calculated the lump sum value of your entitlement in the Fund as being **$99,999.99** as at 30 June 2016, the proposed dissolution date. Assuming that the Fund is wound up on 30 June 2016 and that there are sufficient funds to pay all Beneficiaries’ entitlements, this is the amount which would be transferred into your Employer Account in the New Fund. Your personal illustration (showing the specific information used in determining your entitlement) is included as Supplement 1. Please check that all your personal details are correct. If any of the personal details are not correct please urgently contact the Trustees (contact details are provided in the next paragraph) and a new illustration will be prepared for you. A copy of the Actuarial Valuation Certificate certifying these calculations is attached at Supplement 2.

**Getting further information**
We are conscious that this is a lot of information to take in and that you may have a number of questions that you’d like addressed before you are ready to give your agreement. If there are things you’d like to discuss, please contact Michael Willemse at mwillemse63@gmail.com / 021 733 085 / 0-7-853 2319. Please also feel free to consult with your advisers if you have any doubts as to the merits of this proposal.

**What we would like you to do next**
As a first step, please read through this letter thoroughly and contact us if anything is not clear. Please obtain any further advice you may need, from a trusted adviser.

In order for us to be able to wind-up the Fund and transfer your entitlement into the New Fund, you will need to approve the changes to the Winding Up clause of the Trust Deed. **We ask that you complete the voting form included in this letter and return it to us as soon as possible, but no later than 31 May 2016.**

If all the Beneficiaries and the Synod agree, we will be able to wind up the Fund. If all Beneficiaries do not agree to the proposed changes, Synod and the Trustees would need to consider whether they would go to the High Court and apply for directions to enable us to make the necessary changes to dissolve the Fund. This will be a very expensive process, and we are keen to avoid it.

We are asking for the approval of all Beneficiaries by 31 May 2016 so that, once Synod has passed the appropriate recommendations, we can wind up the Fund with effect from 30 June 2016 and immediately take steps to transfer all Beneficiaries into the New Fund. Your signed completed form can be scanned and emailed to Rev. Michael Willemse at mwillemse63@gmail.com or you can mail it to us at:

The Trustees  
RCNZ Emeritus Fund  
P.O. Box 1002  
Pukekohe 2340

We ask that you join us in praying that the Lord will give us unity about these matters so that we, as churches, can continue to provide honourably for our ministers and missionaries – not just while they are in service but also in their retirement.
Yours in Christ

For and on behalf of The Trustees
The Reformed Churches of New Zealand Emeritus Fund

Colin Young – Chairman

Attached:

Member Consent Form
Supplement 1 – Personal Illustration of your entitlement
Supplement 2 – Certificate of Actuarial Valuation
Supplement 3 – Old vs New Benefit Comparison
Supplement 4 – Proposed Changes to Trust Deed Winding Up Clause
Supplement 5 – Deed of Amendment for Winding Up Clause
Supplement 6 – SuperLife Investment Statement (separate attachment)
Supplement 7 – Schedule to the Investment Statement (to be read in conjunction with Supplement 6)
**Member Consent Form**

To: The Trustees of the Reformed Churches of New Zealand Emeritus Fund

Thank you for your letter of 4 May 2016, and the illustration of benefits with my personal details which I have read and understood. I can confirm that all my details (as listed) are correct.

☐  Yes, I consent to the Trustees’ proposals to amend the Trust Deed and **I confirm that I will transfer to the New Fund** (and will complete the required application form when requested).

☐  No, I do not consent to the Trustees’ proposals to amend the Trust Deed

Name: Tom Member

Signature:___________________________________

Please email and scan or post for receipt by the Trustees no later than 31 May 2016.

Mail to:

The Trustees  
RCNZ Emeritus Fund  
P.O. Box 1002  
Pukekohe 2340

or

Email to: mwillemse63@gmail.com

Any Queries? Please contact Michael Willemse at (021)733-085
THE REFORMED CHURCHES OF NEW ZEALAND EMERITUS FUND ("THE FUND")

PERSONAL ILLUSTRATION

<table>
<thead>
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<tbody>
<tr>
<td>Name:</td>
<td>Tom Member</td>
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<td>Gender:</td>
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</tr>
<tr>
<td>Current Annual pension:</td>
<td>(Current pensioners only)</td>
</tr>
</tbody>
</table>

We have estimated your dissolution benefit if the Fund were to wind up on 30 June 2016. This date has been chosen for illustration purposes only and the actual dissolution date will depend on the time taken to effect the dissolution (including the Trust Deed amendment).

The value of your expected future pension payments as at 30 June 2016, as calculated by the Fund’s Actuary and based on assumptions chosen by the Trustees, is $99,999.99.

This would be the benefit transferred to the new Plan if the Fund were to wind up on 30 June 2016. The assumptions used in calculating this figure are:

- **Future investment returns**: 6.25% p.a. This is the rate the Actuary would have applied had the fund continued. Previously the Actuary had used a rate of 6.5% p.a. Note that there is no allowance for tax in this assumption, as the Fund does not pay tax on investment earnings. You may be liable for tax on any investment earnings from the investment of your wind up benefit.

- **Mortality**: In line with the New Zealand Life Tables 2012–14, with a one year age offset (i.e. you and your spouse are assumed to have the mortality of persons one year younger than your actual ages) and allowance for future mortality improvements after the effective date of the base tables.

- **Pension inflation increases**: 2.20% p.a. This rate was 2.50% p.a. previously. However the Actuary has determined that 2.20% better reflects the current inflationary environment.

- **Retirement Age**: 65
- **Current weekly pension per 30 years of service**: $203.13

Your estimated benefit has been calculated using the personal details noted above. In particular, you should note that the wind up benefit will only be payable in respect of Beneficiaries in the Fund as at the dissolution date.
Supplement 2 – Certificate of Actuarial Valuation

[see Report 1, Appendix 5, page 3-17]

Supplement 3 – Old vs New Benefit Comparison

Reformed Churches of NZ Retirement Savings Fund

We have proposed to Synod that the Reformed Churches of NZ (RCNZ) now establish the Reformed Church of NZ Savings Fund as a Trust under the SuperLife Master Trust. Naturally, the proposed New Fund is subject to the approval of Synod.

New Fund Design

The new Fund will operate with two accounts for each member, i.e. a Member Account and an Employer Account. These are like two “KiwiSaver” style accounts that accumulate with interest and contributions. The balances of these accounts are invested and the investment returns are credited to the respective accounts. They also have expenses and insurance deducted from them. When you retire, you will get the balance of both of these accounts.
Members will get regular updates showing the transactions in the two accounts held in your name, enabling you to easily and conveniently monitor your investment. The manager (SuperLife) of the new Fund can also provide online access to your account with a login and password so that you can look up your details at any time.

Any of the amounts held in your Member Account will belong to you – as of right – and will be payable in whatever circumstance that you leave the employment of the church.

The table below provides a comparison between the Reformed Churches of NZ Emeritus Fund (the Fund) with the proposed new Reformed Churches of NZ Retirement Savings Fund (the New Fund).

[see Report 2, Appendix 3, page 3-43]

**Future Retirement Savings Committee**
Colin Young (Convener)
Sarah Bryant
Wayne Kingham
Martin Leenders
Jacob Ploeg
Michael Willemsen

**Supplement 4 – Proposed Changes to Trust Deed Winding Up Clause**
[see Report 1, Appendix 4, page 3-13]

**Supplement 5 – Deed of Amendment for Winding Up Clause**
[see Report 1, Appendix 2, page 3-6]

**Supplement 6 – SuperLife Investment Statement**
[see Report 2, Appendix 4, page 3-48]

**Supplement 7 – Schedule to the Investment Statement**
[see Report 2, Appendix 5, page 3-88]
Emeritus Fund
of the Reformed Churches of New Zealand
PO Box 1002, Pukekohe 2340

Mr C Young (convener)
Mr W Kingham
Mr M Leenders
Mr J Ploeg
Rev M Willemse

4 May 2016

To: Rev Dick Deferred beneficiary

Important information about your future benefit entitlements

Dear Deferred Beneficiary

As we promised when we wrote to you on 11 March 2016, we are now writing to you again to explain what we, as Trustees, are proposing in relation to the future of The Reformed Churches of New Zealand Emeritus Fund (the Fund) and the consequent implications for its pensioners, deferred pensioners and, those members who are ministers and missionaries currently in the service of the Reformed Churches of New Zealand (collectively Beneficiaries).

The current situation
The Fund is a defined benefit superannuation scheme which offers ministers and missionaries a pension when they retire from service with the Reformed Churches of New Zealand (the Churches). The pension depends on the length of active service and currently increases annually in line with inflation. In addition, prior to reaching normal retirement age, members (and their spouses) are entitled to benefits on death and permanent disability.

Why do things need to change?
The Government has made sweeping changes to the way it regulates the financial markets following the establishment of the Financial Markets Authority (FMA). The legislation that currently governs the Fund (the Superannuation Schemes Act) has been replaced by the Financial Markets Conduct Act (the Act). The Fund would need to comply with this new legislation by 1 December 2016 or be wound up prior to this date.

The Act will significantly increase the time and cost required to operate the Fund, making it an unsuitable and very expensive method of delivering retirement savings. This new environment imposes far more onerous operating and reporting requirements than those of the previous legislation, and significant transition costs, making the position of smaller schemes like our Fund untenable. We estimate that the compliance costs alone would be in the region of $110,000 for the Fund’s first year of operation under the new legislation.

The Trustees have therefore concluded that the best option would be to wind up the Fund and establish a new retirement savings plan for Beneficiaries. This is not a decision that the Trustees can take alone and the Churches (by way of Synod) will also need to endorse this proposal in order for it to proceed. We are therefore seeking the agreement of Synod, when it meets on 10 June 2016, to wind up the Fund with effect on 30 June 2016. This would enable us to avoid the significant cost of complying with the Act and to minimise legal, actuarial and audit costs and so conserve the assets already accumulated in the Fund.
How will the Churches provide for retirement savings in the future?

In February 2016, the Synodical Interim Committee (SIC) established the Future Retirement Savings Committee (FRSC) to investigate alternative vehicles to replace the Fund. SIC appointed Colin Young (Convenor), Sarah Bryant, Wayne Kingham, Martin Leenders, Jacob Ploeg and Michael Willemse as members of this committee.

The FRSC has concluded that the best way to continue to provide for ministers and missionaries in their retirement is to establish a retirement savings fund under a Master Trust (i.e. a multiple employer scheme operated by a professional financial services provider). Their reasons for this are:

- We can set our own benefit design, simplifying it and making it more easily understood.
- We can establish membership rules wide enough to include missionaries serving overseas and ministers who are not NZ citizens, and flexible enough to cater for the movement of ministers and missionaries into and out of our denomination.
- A Master Trust is a relatively efficient savings vehicle – and it allows access to wholesale investments at comparatively low fees.

There are currently around five (this number is somewhat fluid) Master Trust providers operating in NZ. The FRSC sought proposals from all of the major providers (AMP, SuperLife, ASB, Mercer and Fisher Funds) and carefully interviewed a shortlist of two (AMP and SuperLife). As a result the FRSC is recommending to Synod:

1) That we establish “The Reformed Churches of New Zealand Retirement Savings Fund” (the New Fund) to provide retirement and other benefits for Beneficiaries.
2) That we appoint SuperLife Limited (SuperLife) as the manager and day-to-day administrator of the New Fund under the SuperLife Master Trust registered superannuation scheme (AS1068).

Briefly, the FRSC’s reasons for choosing SuperLife are:

- SuperLife is the 2nd largest Master Trust provider in NZ and we understand it is the fastest growing.
- SuperLife is a well-resourced and well-managed company wholly owned by NZX Limited, the shares of which are 37.2% owned by the Reserve Bank of New Zealand.
- They are confident that SuperLife is already in a position to comply with the Act.
- SuperLife’s annual administration fees and investment management fees are very competitive.
- SuperLife is independent of investment fund managers and holds investments at arm’s length. They can fire investment managers and hire others if they do not perform. (Copies of the SuperLife Investment Statement and Schedule are attached as Supplement 6 and 7.)
- SuperLife has made it easy to design flexibility into the benefits for the Beneficiaries.
- SuperLife provides excellent member communication material so that you can easily track your retirement savings.

Master Trust arrangements are very portable. Should the Churches become unhappy with the performance of SuperLife it is an easy and inexpensive process to transfer from one provider to another.

The New Fund would be managed according to the rules we establish with SuperLife, who would be responsible for the day-to-day management of the New Fund and for complying with the Act. The FRSC is also recommending Synod establish a committee to be known as the “Superannuation Committee” which would be responsible for liaising with SuperLife, monitoring the New Fund’s investment performance, managing ministers’ and missionaries’ movements in and out of the New Fund, responding to their enquiries, reporting to Synod and so on.
Report 2
Future Retirement Savings Committee

What about KiwiSaver?
As part of its work, the FRSC canvassed ministers and missionaries currently in the service of the Churches and found that almost all were members of KiwiSaver. They considered whether the Churches should simply divert to KiwiSaver accounts (as top-ups) the contributions which they are currently paying to the Fund for ministers and missionaries. However, they rejected that option at this time for several reasons:

- The Fund is currently in a strong financial position having accumulated a sizeable surplus. Moving to KiwiSaver alone at this stage would not allow us to retain this surplus for the purpose of providing for ministers and missionaries in their retirement.
- Missionaries serving outside NZ are not eligible to be in KiwiSaver and this mechanism would not allow us to provide for them.
- Some ministers who come to us from overseas are also not eligible to join KiwiSaver and would also fall outside such an arrangement.
- KiwiSaver is less flexible than a workplace savings scheme such as the Fund or the proposed new Fund, as (with limited exceptions) it locks members’ savings in until New Zealand superannuation age, whereas a workplace savings scheme can pay leaving service benefits at any age.

Having said that, KiwiSaver also has some advantages. It may be that KiwiSaver can provide the necessary retirement savings benefits for our ministers and missionaries at some point in the future. However, the FRSC does not anticipate KiwiSaver being a realistic option at least until the employer’s reserve account is exhausted.

How does the New Fund differ from the old?
The New Fund is an accounts-based retirement savings plan, where various investment accounts are held in your name. It is part of a much larger Master Trust and much of the cost associated with its operation can be shared across many other plans established within the Master Trust. This makes for a much more administratively and cost efficient retirement savings vehicle.

Supplement 3 outlines the proposed new benefit design. Again, this is subject to the approval of Synod.

Contributions made by the Churches to the New Fund will go into each member’s Employer Account. Ministers and missionaries currently in the service of the Churches, and deferred pensioners will also be permitted to make their own voluntary contributions into their Member Account. Both the member’s Employer Account and their Member Account will be invested in the Churches’ choice of investments.

The main difference between the current Fund and the proposed New Fund will relate to the base on which retirement benefits are calculated and paid. The present Fund is structured to provide a fixed pension amount for the life of a retired minister or missionary (i.e. it provides a defined benefit at retirement which is payable for life). The New Fund would be a defined contribution plan from which benefits would be paid as lump sums (i.e. the Churches’ contributions would be fixed and, at retirement, ministers and missionaries would receive the total of contributions and accumulated investment income less expenses). This is the same basis on which KiwiSaver (and virtually every other retirement savings scheme currently on offer to new joiners) works. Some key points for noting in this regard are:

- Defined benefit schemes operate on the principle of unallocated funding – assets are not allocated to individual members, but are pooled together for all members’ benefit.
- In a defined contribution scheme, retirement benefits are simply based on accumulated contributions, together with allocated net investment earnings (and those contributions and earnings are allocated to an account maintained for each individual member).
- Defined benefit and defined contribution schemes feature different risks and rewards:
in a defined benefit scheme, the risks (generally investment returns and pensioner life expectancy) are mainly taken by the employer, but it receives the reward from any overfunding (in the form of a lower level of employer contributions); and

- in a defined contribution scheme, members take investment risks (including as to poor or negative returns) but take the rewards from any investment outperformance.

The new Fund will pay tax on its investment earnings (the current Fund has a charitable purposes-based income tax exemption).

However, the FRSC has aimed at providing benefits under the New Fund which are comparable to or better than the existing benefits. They are also proposing that Churches’ contributions to the New Fund will take into account contributions already being made to KiwiSaver or a similar superannuation fund. Given the fundamental differences in design, an accurate “apples for apples” comparison is not possible. However, the recommended contribution rate by Churches is based on providing a sum at retirement roughly equivalent to that provided by the current scheme assuming 20 or more years’ service.

As already mentioned, under the New Fund, a lump sum payment would be made at retirement rather than a pension. Members can mimic a pension by setting up a regular draw down equal to what their pension would have been (or some other amount) from their SuperLife account rather than receiving their entitlement as a lump sum. This draw down would continue until the member’s accounts were exhausted.

A more detailed comparison between the benefits of the Fund and the New Fund is included as Supplement 3. We recommend that you read this carefully and that you contact us with any questions you may have. You may also wish to seek independent financial advice about the impact of the changes. While every effort has been made to describe the benefits simply and accurately, the respective trust deeds are the legal documents which specify the benefits payable and the terms of those trust deeds prevail over the descriptions in this table.

**Do I need to transfer to the New Fund?**

All Beneficiaries other than current pensioners will be required to join the New Fund. Current pensioners can voluntarily join.

In our previous communication, we had indicated that members in your situation would most likely receive their entitlement from the Fund as a lump sum payment. It has now become clear that making a lump sum payment to members like yourself who have not yet reached retirement age could both jeopardise the Fund’s charitable status and open us up to a substantial tax liability. The only way to avoid these undesirable consequences is for your entitlement to be transferred into the New Fund. Under the proposed New Fund, you will have a number of options around how you can receive your entitlement.

**What needs to happen to wind up the Fund and transfer my entitlement to the New Fund?**

The current Winding Up clause stipulates that, if the Fund is wound up, the Trustees must purchase an annuity (pension) for each member equivalent to the pension they would have received from the Fund. This is an outdated (and usually inefficient) approach to providing for retirement and there are no longer any annuity providers in the NZ market – so we are unable to comply with the Winding Up clause as it stands. Instead, we are proposing that Beneficiaries’ wind-up entitlements (which will be amounts certified by the Fund’s actuary as at least equivalent to the actuarial reserve held in the Fund in respect of each Beneficiary) are transferred to the New Fund. The wording of the Winding Up clause needs to be changed to allow this to happen.

We have attached as Supplement 4, a document which compares the existing Winding Up clause from the Trust Deed to the changed clause that is necessary to allow members to transfer. The Deed of Amendment which will need to be signed at synod and which shows the new Winding Up clause in its entirety is included as Supplement 5. In broad terms, these changes are intended to allow:

- Members still in service and deferred pensioners to transfer to the New Fund (sub clause d).
Report 2
Future Retirement Savings Committee

- Pensioners to transfer to the New Fund (sub clause e).
- Pensioners who do not wish to transfer to receive a lump sum (sub clause g).
- Such transfer (sub clause f) or payment (sub clause h) to constitute the member’s full entitlement.
- The Fund surplus to be transferred to a reserve account in the New Fund (sub clause i)
- Some other minor changes to recognise the new legislative environment and to accommodate the above.

We need the approval of all existing members to make these changes to the Trust Deed.

How much is my entitlement at 30 June 2016?
The Fund’s Actuary has calculated the lump sum value of your entitlement in the Fund as being $99,999.99 as at 30 June 2016, the proposed dissolution date. Assuming that the Fund is wound up on 30 June 2016 and that there are sufficient funds to pay all Beneficiaries’ entitlements, this is the amount which would be transferred into your Employer Account in the New Fund. Your personal illustration (showing the specific information used in determining your entitlement) is included as Supplement 1. Please check that all your personal details are correct. If any of the personal details are not correct please urgently contact the Trustees (contact details are provided in the next paragraph) and a new illustration will be prepared for you. A copy of the Actuarial Valuation Certificate certifying these calculations is attached at Supplement 2.

Getting further information
We are conscious that this is a lot of information to take in and that you may have a number of questions that you’d like addressed before you are ready to give your agreement. If there are things you’d like to discuss, please contact Michael Willemse at mwillemse63@gmail.com / 021 733 085 / 0-7-853 2319. Please also feel free to consult with your advisers if you have any doubts as to the merits of this proposal.

What we would like you to do next
As a first step, please read through this letter thoroughly and contact us if anything is not clear. Please obtain any further advice you may need, from a trusted adviser.

In order for us to be able to wind-up the Fund and transfer your entitlement into the New Fund, you will need to approve the changes to the Winding Up clause of the Trust Deed. We ask that you complete the voting form included in this letter and return it to us as soon as possible, but no later than 31 May 2016.

If all the Beneficiaries and the Synod agree, we will be able to wind up the Fund. If all Beneficiaries do not agree to the proposed changes, Synod and the Trustees would need to consider whether they would go to the High Court and apply for directions to enable us to make the necessary changes to dissolve the Fund. This will be a very expensive process, and we are keen to avoid it.

We are asking for the approval of all Beneficiaries by 31 May 2016 so that, once Synod has passed the appropriate recommendations, we can wind up the Fund with effect from 30 June 2016 and immediately take steps to transfer all Beneficiaries into the New Fund. Your signed completed form can be scanned and emailed to Rev. Michael Willemse at mwillemse63@gmail.com or you can mail it to us at:

The Trustees
RCNZ Emeritus Fund
P.O. Box 1002
Pukekohe 2340

We ask that you join us in praying that the Lord will give us unity about these matters so that we, as churches, can continue to provide honourably for our ministers and missionaries – not just while they are in service but also in their retirement.
Yours in Christ

For and on behalf of The Trustees
The Reformed Churches of New Zealand Emeritus Fund

Colin Young – Chairman

Attached:  
Member Consent Form
Supplement 1 – Personal Illustration of your entitlement
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Member Consent Form

To: The Trustees of the Reformed Churches of New Zealand Emeritus Fund

Thank you for your letter of 4 May 2016, and the illustration of benefits with my personal details which I have read and understood. I can confirm that all my details (as listed) are correct.

☐ Yes, I consent to the Trustees’ proposals to amend the Trust Deed and I confirm that I will transfer to the New Fund (and will complete the required application form when requested).

☐ No, I do not consent to the Trustees’ proposals to amend the Trust Deed

Name: Dick Deferred beneficiary

Signature:___________________________________

Please email and scan or post for receipt by the Trustees no later than 31 May 2016.

Mail to:

The Trustees
RCNZ Emeritus Fund
P.O. Box 1002
Pukekohe 2340

or

Email to: mwillemse63@gmail.com

Any Queries? Please contact Michael Willemse at (021)733-085
Supplement 1 – Personal Illustration of your entitlement

THE REFORMED CHURCHES OF NEW ZEALAND EMERITUS FUND ("THE FUND")

PERSONAL ILLUSTRATION

<table>
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<tr>
<th>Personal Details</th>
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<tr>
<td>Name: Tom Member</td>
</tr>
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<td>Date left active service: 1 January 2008 (Deferred pensioners only)</td>
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<tr>
<td>Current Annual pension: (Current pensioners only)</td>
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We have estimated your dissolution benefit if the Fund were to wind up on 30 June 2016. This date has been chosen for illustration purposes only and the actual dissolution date will depend on the time taken to effect the dissolution (including the Trust Deed amendment).

The value of your expected future pension payments as at 30 June 2016, as calculated by the Fund’s Actuary and based on assumptions chosen by the Trustees, is **$99,999.99**.

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<th>Assumption</th>
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Your estimated benefit has been calculated using the personal details noted above. In particular, you should note that the wind up benefit will only be payable in respect of Beneficiaries in the Fund as at the dissolution date.
Emeritus Fund
of the Reformed Churches of New Zealand
PO Box 1002, Pukekohe 2340

Mr C Young (convener)
Mr W Kingham
Mr M Leenders
Mr J Ploeg
Rev M Willemse

4 May 2016

To: Rev Harry Pensioner

Important information about your future benefit entitlements

Dear Pensioner

As we promised when we wrote to you on 11 March 2016, we are now writing to you again to explain what we, as Trustees, are proposing in relation to the future of The Reformed Churches of New Zealand Emeritus Fund (the Fund) and the consequent implications for its pensioners, deferred pensioners and, those members who are ministers and missionaries currently in the service of the Reformed Churches of New Zealand (collectively Beneficiaries).

The current situation
The Fund is a defined benefit superannuation scheme which offers ministers and missionaries a pension when they retire from service with the Reformed Churches of New Zealand (the Churches). The pension depends on the length of active service and currently increases annually in line with inflation. In addition, prior to reaching normal retirement age, members (and their spouses) are entitled to benefits on death and permanent disability.

Why do things need to change?
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The FRSC has concluded that the best way to continue to provide for ministers and missionaries in their retirement is to establish a retirement savings fund under a Master Trust (i.e. a multiple employer scheme operated by a professional financial services provider). Their reasons for this are:

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- SuperLife is the 2nd largest Master Trust provider in NZ and we understand it is the fastest growing.
- SuperLife is a well-resourced and well-managed company wholly owned by NZX Limited, the shares of which are 37.2% owned by the Reserve Bank of New Zealand.
- They are confident that SuperLife is already in a position to comply with the Act.
- SuperLife’s annual administration fees and investment management fees are very competitive.
- SuperLife is independent of investment fund managers and holds investments at arm’s length. They can fire investment managers and hire others if they do not perform. (Copies of the SuperLife Investment Statement and Schedule are attached as Supplement 6 and 7.)
- SuperLife has made it easy to design flexibility into the benefits for the Beneficiaries.
- SuperLife provides excellent member communication material so that you can easily track your retirement savings.

Master Trust arrangements are very portable. Should the Churches become unhappy with the performance of SuperLife it is an easy and inexpensive process to transfer from one provider to another.

The New Fund would be managed according to the rules we establish with SuperLife, who would be responsible for the day-to-day management of the New Fund and for complying with the Act. The FRSC is also recommending Synod establish a committee to be known as the “Superannuation Committee” which would be responsible for liaising with SuperLife, monitoring the New Fund’s investment performance, managing ministers’ and missionaries’ movements in and out of the New Fund, responding to their enquiries, reporting to Synod and so on.
Future Retirement Savings Committee

What about KiwiSaver?
As part of its work, the FRSC canvassed ministers and missionaries currently in the service of the Churches and found that almost all were members of KiwiSaver. They considered whether the Churches should simply divert to KiwiSaver accounts (as top-ups) the contributions which they are currently paying to the Fund for ministers and missionaries. However, they rejected that option at this time for several reasons:

- The Fund is currently in a strong financial position having accumulated a sizeable surplus. Moving to KiwiSaver alone at this stage would not allow us to retain this surplus for the purpose of providing for ministers and missionaries in their retirement.
- Missionaries serving outside NZ are not eligible to be in KiwiSaver and this mechanism would not allow us to provide for them.
- Some ministers who come to us from overseas are also not eligible to join KiwiSaver and would also fall outside such an arrangement.
- KiwiSaver is less flexible than a workplace savings scheme such as the Fund or the proposed new Fund, as (with limited exceptions) it locks members’ savings in until New Zealand superannuation age, whereas a workplace savings scheme can pay leaving service benefits at any age.

Having said that, KiwiSaver also has some advantages. It may be that KiwiSaver can provide the necessary retirement savings benefits for our ministers and missionaries at some point in the future. However, the FRSC does not anticipate KiwiSaver being a realistic option at least until the employer’s reserve account is exhausted.

How does the New Fund differ from the old?
The New Fund is an accounts-based retirement savings plan, where various investment accounts are held in your name. It is part of a much larger Master Trust and much of the cost associated with its operation can be shared across many other plans established within the Master Trust. This makes for a much more administratively and cost efficient retirement savings vehicle.

Supplement 3 outlines the proposed new benefit design. Again, this is subject to the approval of Synod.

Contributions made by the Churches to the New Fund will go into each member’s Employer Account. Ministers and missionaries currently in the service of the Churches, and deferred pensioners will also be permitted to make their own voluntary contributions into their Member Account. Both the member’s Employer Account and their Member Account will be invested in the Churches’ choice of investments.

The main difference between the current Fund and the proposed New Fund will relate to the base on which retirement benefits are calculated and paid. The present Fund is structured to provide a fixed pension amount for the life of a retired minister or missionary (i.e. it provides a defined benefit at retirement which is payable for life). The New Fund would be a defined contribution plan from which benefits would be paid as lump sums (i.e. the Churches’ contributions would be fixed and, at retirement, ministers and missionaries would receive the total of contributions and accumulated investment income less expenses). This is the same basis on which KiwiSaver (and virtually every other retirement savings scheme currently on offer to new joiners) works. Some key points for noting in this regard are:

- Defined benefit schemes operate on the principle of unallocated funding – assets are not allocated to individual members, but are pooled together for all members’ benefit.
- In a defined contribution scheme, retirement benefits are simply based on accumulated contributions, together with allocated net investment earnings (and those contributions and earnings are allocated to an account maintained for each individual member).
- Defined benefit and defined contribution schemes feature different risks and rewards:
in a defined benefit scheme, the risks (generally investment returns and pensioner life expectancy) are mainly taken by the employer, but it receives the reward from any overfunding (in the form of a lower level of employer contributions); and
- in a defined contribution scheme, members take investment risks (including as to poor or negative returns) but take the rewards from any investment outperformance.

The new Fund will pay tax on its investment earnings (the current Fund has a charitable purposes-based income tax exemption).

However, the FRSC has aimed at providing benefits under the New Fund which are comparable to or better than the existing benefits. They are also proposing that Churches’ contributions to the New Fund will take into account contributions already being made to KiwiSaver or a similar superannuation fund. Given the fundamental differences in design, an accurate “apples for apples” comparison is not possible. However, the recommended contribution rate by Churches is based on providing a sum at retirement roughly equivalent to that provided by the current scheme assuming 20 or more years’ service.

As already mentioned, under the New Fund, a lump sum payment would be made at retirement rather than a pension. Members can mimic a pension by setting up a regular draw down equal to what their pension would have been (or some other amount) from their SuperLife account rather than receiving their entitlement as a lump sum. This draw down would continue until the member’s accounts were exhausted.

A more detailed comparison between the benefits of the Fund and the New Fund is included as Supplement 3. We recommend that you read this carefully and that you contact us with any questions you may have. You may also wish to seek independent financial advice about the impact of the changes. While every effort has been made to describe the benefits simply and accurately, the respective trust deeds are the legal documents which specify the benefits payable and the terms of those trust deeds prevail over the descriptions in this table.

**Do I need to transfer to the New Fund?**
All Beneficiaries other than current pensioners will be required to join the New Fund. Current pensioners can voluntarily join.

**What needs to happen to wind up the Fund and transfer my entitlement to the New Fund?**
The current Winding Up clause stipulates that, if the Fund is wound up, the Trustees must purchase an annuity (pension) for each member equivalent to the pension they would have received from the Fund. This is an outdated (and usually inefficient) approach to providing for retirement and there are no longer any annuity providers in the NZ market – so we are unable to comply with the Winding Up clause as it stands. Instead, we are proposing that Beneficiaries’ wind-up entitlements (which will be amounts certified by the Fund’s actuary as at least equivalent to the actuarial reserve held in the Fund in respect of each Beneficiary) are transferred to the New Fund. The wording of the Winding Up clause needs to be changed to allow this to happen.

We have attached as Supplement 4, a document which compares the existing Winding Up clause from the Trust Deed to the changed clause that is necessary to allow members to transfer. The Deed of Amendment which will need to be signed at synod and which shows the new Winding Up clause in its entirety is included as Supplement 5. In broad terms, these changes are intended to allow:

- Members still in service and deferred pensioners to transfer to the New Fund (sub clause d).
- Pensioners to transfer to the New Fund (sub clause e).
- Pensioners who do not wish to transfer to receive a lump sum (sub clause g).
- Such transfer (sub clause f) or payment (sub clause h) to constitute the member’s full entitlement.
- The Fund surplus to be transferred to a reserve account in the New Fund (sub clause i).
- Some other minor changes to recognise the new legislative environment and to accommodate the above.
We need the approval of all existing members to make these changes to the Trust Deed.

**How much is my entitlement at 30 June 2016?**
The Fund’s Actuary has calculated the lump sum value of your entitlement in the Fund as being $99,999.99 as at 30 June 2016, the proposed dissolution date. Assuming that the Fund is wound up on 30 June 2016 and that there are sufficient funds to pay all Beneficiaries’ entitlements, this is the amount which would be transferred into your Member Account in the New Fund or, if you elect to take a lump sum instead, paid into your nominated bank account. Your personal illustration (showing the specific information used in determining your entitlement) is included as Supplement 1. Please check that all your personal details are correct. If any of the personal details are not correct please urgently contact the Trustees (contact details are provided in the next paragraph) and a new illustration will be prepared for you. A copy of the Actuarial Valuation Certificate certifying these calculations is attached at Supplement 2.

**Getting further information**
We are conscious that this is a lot of information to take in and that you may have a number of questions that you’d like addressed before you are ready to give your agreement. If there are things you’d like to discuss, please contact Michael Willemse at mwillemse63@gmail.com / 021 733 085 / 0-7-853 2319. Please also feel free to consult with your advisers if you have any doubts as to the merits of this proposal.

**What we would like you to do next**
As a first step, please read through this letter thoroughly and contact us if anything is not clear. Please obtain any further advice you may need, from a trusted adviser.

In order for us to be able to wind-up the Fund and transfer your entitlement into the New Fund, you will need to approve the changes to the Winding Up clause of the Trust Deed. **We ask that you complete the voting form included in this letter and return it to us as soon as possible, but no later than 31 May 2016.**

If all the Beneficiaries and the Synod agree, we will be able to wind up the Fund. If all Beneficiaries do not agree to the proposed changes, Synod and the Trustees would need to consider whether they would go to the High Court and apply for directions to enable us to make the necessary changes to dissolve the Fund. This will be a very expensive process, and we are keen to avoid it.

We are asking for the approval of all Beneficiaries by 31 May 2016 so that, once Synod has passed the appropriate recommendations, we can wind up the Fund with effect from 30 June 2016 and immediately take steps to transfer all Beneficiaries into the New Fund. Your signed completed form can be scanned and emailed to Rev. Michael Willemse at mwillemse63@gmail.com or you can mail it to us at:

The Trustees  
RCNZ Emeritus Fund  
P.O. Box 1002  
Pukekohe 2340

We ask that you join us in praying that the Lord will give us unity about these matters so that we, as churches, can continue to provide honourably for our ministers and missionaries – not just while they are in service but also in their retirement.
Yours in Christ

For and on behalf of The Trustees
The Reformed Churches of New Zealand Emeritus Fund

Colin Young – Chairman

Attached:  Member Consent Form
            Supplement 1 – Personal Illustration of your entitlement
            Supplement 2 – Certificate of Actuarial Valuation
            Supplement 3 – Old vs New Benefit Comparison
            Supplement 4 – Proposed Changes to Trust Deed Winding Up Clause
            Supplement 5 – Deed of Amendment for Winding Up Clause
            Supplement 6 – SuperLife Investment Statement (separate attachment)
            Supplement 7 – Schedule to the Investment Statement (to be read in conjunction with Supplement 6)
Member Consent Form

To: The Trustees of the Reformed Churches of New Zealand Emeritus Fund

Thank you for your letter of 4 May 2016, and the illustration of benefits with my personal details which I have read and understood. I can confirm that all my details (as listed) are correct.

Consent for Trust Deed amendments:

☐ Yes, I consent to the Trustees’ proposals to amend the Trust Deed

☐ No, I do not consent to the Trustees’ proposals to amend the Trust Deed

Option to Transfer or Receive a Lump Sum Payment:

☐ Please transfer my entitlement in The Reformed Churches of New Zealand Emeritus Fund on its winding up this year to a member account held in my name in The Reformed Churches of New Zealand Retirement Savings Fund under the SuperLife Master Trust (I will complete the required application form when requested).

Or

☐ Please pay my entitlement from The Reformed Churches of New Zealand Emeritus Fund on its winding up this year to me as a lump sum. Please deposit this amount into the bank account below.

Name: Harry Pensioner

Signature:___________________________________

Please email and scan or post for receipt by the Trustees no later than 31 May 2016.

Mail to: The Trustees
         RCNZ Emeritus Fund
         P.O. Box 1002
         Pukekohe 2340

or

Email to: mwillemse63@gmail.com

Any Queries? Please contact Michael Willemse at (021)733-085
THE REFORMED CHURCHES OF NEW ZEALAND EMERITUS FUND (“THE FUND”)

PERSONAL ILLUSTRATION

Personal Details
Name: Harry Pensioner
Gender: Male
Date of birth: 1 January 1945
Spouse date of birth: Single

Pension Details
Date joined Fund: 
Date left active service: (Deferred pensioners only)
Current Annual pension: $9,999.99 (Current pensioners only)

We have estimated your dissolution benefit if the Fund were to wind up on 30 June 2016. This date has been chosen for illustration purposes only and the actual dissolution date will depend on the time taken to effect the dissolution (including the Trust Deed amendment).

The value of your expected future pension payments as at 30 June 2016, as calculated by the Fund’s Actuary and based on assumptions chosen by the Trustees, is $99,999.99.

This would be the benefit transferred to the new Plan if the Fund were to wind up on 30 June 2016. As a current pensioner, you may also elect to receive this amount as a tax-free cash lump sum. The assumptions used in calculating this figure are:

Future investment returns 6.25% p.a. This is the rate the Actuary would have applied had the fund continued. Previously the Actuary had used a rate of 6.5% p.a. Note that there is no allowance for tax in this assumption, as the Fund does not pay tax on investment earnings. You may be liable for tax on any investment earnings from the investment of your wind up benefit.

Mortality In line with the New Zealand Life Tables 2012–14, with a one year age offset (i.e. you and your spouse are assumed to have the mortality of persons one year younger than your actual ages) and allowance for future mortality improvements after the effective date of the base tables.

Pension inflation increases 2.20% p.a. This rate was 2.50% p.a. previously. However the Actuary has determined that 2.20% better reflects the current inflationary environment.

Retirement Age 65
Current weekly pension per 30 years of service $203.13

Your estimated benefit has been calculated using the personal details noted above. In particular, you should note that the wind up benefit will only be payable in respect of Beneficiaries in the Fund as at the dissolution date.
Appendix 7 – Sample SuperLife Member Application

The Reformed Churches of New Zealand Retirement Savings Fund
SuperLife superannuation scheme (AS/1068)

Membership form

Use this form: To become a Member of the SuperLife superannuation scheme ("SuperLife"), and join the superannuation arrangements of the Reformed Churches of New Zealand known as the “Reformed Churches of New Zealand Retirement Savings Fund” ("Fund"). Send the completed form to SuperLife Limited.

Privacy Act
This form collects personal information that is needed from you in connection with the Fund and SuperLife. All this information is being received, collected and held by SuperLife Limited, PO Box 105 292, Auckland City 1143. SuperLife Limited may pass this information to the trustee, supervisor, administrators, insurers and advisers as appropriate. You can see and correct this information, subject to the provisions of the Privacy Act 1993.

Your details
First names: 
Surname: 
Preferred name: 
Title (Mr, Mrs, Ms, Miss, Dr): 
Male ☐ Female ☐
Date of birth: / / (dd/mm/yyyy)
Phone: 
Mobile: 
Email: 
Home address: 
Town/city: Post code: 
Postal address (if different): 
Post code: 

Employer: ("Employer")
Location: 

IRD number: (You must enter your IRD number)

PIR ("Prescribed investor rate"): 10.5% ☐ 17.5% ☐ 20% ☐
Your PIR will be 20% unless you qualify for a 10.5% or 17.5% rate - see the PIR guide for more information.

Questions required under AML/CFT Act 2009
In the last 12 months:
1. Have you lived in any country other than New Zealand?
Yes ☐ No ☐
If Yes, please list the country(s):
   
   
2. Have you, any member of your immediate family, or any close business associate, been engaged in a role overseas that was, or is, related to political office or foreign public service?
Yes ☐ No ☐
**Beneficiaries**

**Your beneficiaries**

On your death, you may choose to have the benefit payable to be paid to the individuals you nominate, or to a family trust, or to your estate. You can change your nomination at any time by advice in writing to SuperLife Limited, or through the member site if you are a registered internet user.

If I die, the benefit, i.e. my savings and any life insurance, should be paid to (tick one):

- The following people in accordance with the percentages shown:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Date of birth</th>
<th>Relationship</th>
<th>Savings account % share</th>
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- Total must be 100% 100%

- or [ ] My family trust. Enter name of trust: 

- or [ ] My estate

**Savings**

**Your savings including KiwiSaver**

Under the Fund, you determine the level of your savings. If you save, there is no minimum contribution and such contributions are expressed as a percentage of your base stipend.

**Regular savings amount**

I want to contribute regular savings of _____ % of my Pay, or $ _____ each pay day.

**Lump sum savings amount**

If you want to invest an initial lump sum to SuperLife, you should also complete an “add a lump sum” form.

**Investment strategy**

Your different SuperLife Accounts (i.e. your Member, Voluntary (if any), Employer) are invested in the default strategy, unless you choose differently from the range of options available. Information on each option is in the Investment Statements. The default strategies is determined by the Manager from time to time and may change. The current default strategies is AIMPortray.

- [ ] Default strategy. I want my Accounts to be invested in accordance with the default strategy.

- or [ ] My investment strategy. I want my Accounts to be invested in accordance with my strategy indicated on the next page.

**Maintaining your investment strategy**

Investment markets fluctuate and the investment mix of your savings will change reflecting the market movements. 

SuperLife will automatically rebalance your account back to your chosen strategy from time to time, unless you choose otherwise.

If you wish not to have the standard automatic rebalancing, and you have chosen “my investment strategy” above and option 7 on the next page, tick the box below. If you have chosen option 1 to 6 on the next page, the option not to rebalance does not apply.

- [ ] I do not want to have my savings automatically rebalanced by SuperLife.
## Investment strategy

### Cash
1. Cash

### Standard risk/return options
2. SuperLife
3. SuperLife
4. SuperLife

### Targeted options
5. AIM Age steps
6. AIM First Name/AIM MyFund

### Ethical option
7. Ethical

### Create your own strategy/portfolio
8. My Mix.

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<th>Managed Funds</th>
<th>Member</th>
<th>Employee</th>
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<td>SuperLife</td>
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### Sector Funds
- Cash
- NZ bonds
- GS bonds
- OS Non-govt bonds
- Property
- NZ shares
- Australian shares
- OS shares currency hedged
- OS shares (unhedged)
- Emerging markets
- UK Cash
- UK Income
- UK Shares/Property

### ETF Funds
- NZ Cash ETF
- NZ Bond ETF
- Global Bond ETF
- NZ Dividend ETF
- NZ 50 Portfolio ETF
- NZ Top 10 ETF
- NZ MidCap ETF
- NZ Property
- Aust Top 20 Leaders ETF
- Aust Dividend ETF
- Aust Financials ETF
- Aust Property ETF
- Aust Resources ETF
- Aust MidCap ETF
- Total World ETF
- US S&P 500 ETF
- Europe ETF
- Asia Pacific ETF
- US Growth ETF
- US Value ETF
- US MidCap ETF
- US Small ETF
- Emerging Markets ETF

### Total (must be 100%):
- Member: 100%
- Employee: 100%
## Insurances

Complete this section if you are applying for a voluntary death or death and total & permanent disablement lump sum benefit.

### Life insurance

Complete this section if you are applying for a death, or death and total & permanent disablement lump sum benefit.

#### Amount of insurance

I want death cover of $______________

and total & permanent disablement cover of $______________ (can’t be more than the amount of death cover)

#### Premium basis

I want the premium rates for my life insurance to change (tick one):

- [ ] each 1 April
- [ ] each 5 years
- [ ] each 10 years

#### Smoking status

Do you smoke, or have you smoked in the last 12 months? (tick one)

- [ ] Yes
- [ ] No

### Disability income protection insurance

Complete this section if you are applying for a voluntary disability income protection insurance benefit.

#### Amount of income cover

I want disability income cover each year of $______________ a year (Minimum is $5,200 each year; maximum is 55% of gross pay)

#### Waiting period

I want the waiting period to be (tick one):

- [ ] 1 month
- [ ] 3 months
- [ ] 6 months

#### Benefit period

I want the benefit period to be for (tick one):

- [ ] 2 years
- [ ] 5 years
- [ ] to age 65

#### Employer statement

- [ ] I have enclosed the employer statement.

### Health questions

You must complete this section. If you are unsure, it is better to answer ‘yes’. If you answer ‘no’ and your answer isn’t right, the insurance company can refuse to pay out your insurance when you make a claim.

1. Have you been away from work for five (or more) days in a row in the past month because of sickness or injury?
   - [ ] Yes
   - [ ] No

2. Have you been told by your doctor that you have a terminal illness which means that you have 12 months or less to live?
   - [ ] Yes
   - [ ] No

**Note:** If you would like to take out insurance cover for your spouse/partner you must complete a spouse/partner form available from SuperLife or the website.
Medical insurance

Medical insurance
Complete sections 1 or 2 and sections 3 and 4, if you are applying for a voluntary medical insurance benefit through SuperLife.

1. **Existing UniMed members should complete this section.**
   Enter your existing UniMed number:

   Please indicate which UniMed medical plan you are currently in:

   If you wish to change your current UniMed medical plan, please enter the new plan name. You will also need to complete a UniMed form.

2. **If you are not an existing UniMed member, you should complete this section, plus a UniMed form.**
   (please tick the medical plan you are applying for):
   - UniCare Plus
   - Major Surgical base plan
   - Major Surgical + specialists
   - Major Surgical + specialists + dental 100
   - Major Surgical + specialists + dental 400
   - Major Surgical + GP
   - Major Surgical + GP + dental 100
   - Major Surgical + GP + dental 400
   - Major Surgical + GP + specialists
   - Major Surgical + GP + specialists + dental 100
   - Major Surgical + GP + specialists + dental 400

3. **Excess (Note: applies to Major Surgical plans only).**
   In respect of a hospital/surgical claim, I want an excess for each claim of:
   - No excess
   - I will meet the first $500 dollars. A discount to the premium applies if you choose the $500 excess.

4. **List dependants - list all family members to be covered by your medical plan, including you.**

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<thead>
<tr>
<th>Name</th>
<th>Sex (tick one)</th>
<th>Date of birth (dd/mm/yyyy)</th>
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<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
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## Electronic identity and address verification

To meet the requirements under the Anti-Money Laundering and Counteering Financing of Terrorism Act 2009, we must verify your identity and residential address. One option is to try and do this electronically, but we need your consent. Note, not everyone can be verified electronically.

If you want us to try to electronically verify your details, please tick the box below and provide the information required:

- I wish that my identity and address is verified electronically, and I authorise SuperLife Limited to undertake this.

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<tr>
<th>Name</th>
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<tr>
<td>First name</td>
<td>Middle name(s)</td>
<td>Last name</td>
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<th>Date of birth</th>
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<tr>
<th>Country of citizenship</th>
<th>Vehicle Registration number</th>
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<td>(if applicable) number plate. Only include the plate number if the vehicle is registered in your name.</td>
</tr>
</tbody>
</table>

Complete details for at least one of the following:

- **NZ Drivers licence**
  - NZ Driver’s Licence number: The number is printed on your licence under the note ‘8’
  - Card version: The version is printed on your licence under the note ‘90’

- **NZ Passport**
  - NZ Passport number: 
  - Passport expiry date: 

- **NZ Birth certificate**
  - NZ Birth certificate number: Make sure your name entered at the top of the form exactly matches the name shown on your passport, including middle name(s)

- **NZ Citizenship**
  - NZ citizenship number: Country of birth: Make sure the Country of birth, and your name entered above, exactly match the details shown on the Citizenship Certificate, including middle name(s)

## Your agreement

I confirm that I have received the investment statement for SuperLife.

I apply to join SuperLife.

I agree to be bound by the trust deed that governs the scheme and the rules made by the Manager and/or the Trustee under the trust deed from time to time.

I confirm that the information in this membership form is correct.

I authorise my Employer to deduct from my pay each pay day the savings, insurance premiums and associated fees (as applicable) that I choose from time to time, and pay them to SuperLife.

I understand that SuperLife will send me statements and other communication materials by email, to the email address advised above.

Your signature: __________________________ Date: / / (dd/mm/yyyy)
## Employer to complete

I confirm, on behalf of the Employer

<table>
<thead>
<tr>
<th>Date employee started work with Employer</th>
<th>/ / (dd/mm/yyyy)</th>
<th>Employee number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date application received</td>
<td>/ / (dd/mm/yyyy)</td>
<td>Employee was at work on date application received</td>
</tr>
<tr>
<td>Employee's occupation</td>
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<td>Pay frequency (e.g. monthly)</td>
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<tr>
<td>Employee's current gross annual pay</td>
<td>$</td>
<td>ESCT rate %</td>
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<tr>
<td>Name/reference of payroll</td>
<td></td>
<td>If applicable, Employee's gross taxable income for ESCT</td>
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### On behalf of employer

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<td>Position:</td>
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<td>Contact phone number: ( )</td>
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<td>Contact email:</td>
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Signature: ________________________________
Appendix 8 – Sample SuperLife Employer Application

DEED dated the ______ day of ______ 2016

Parties

1. SuperLife Limited ("Company")
2. SuperLife Trustee Limited ("Trustee")
3. The Reformed Churches of New Zealand ("Participating Employer")
4. ("New Employer")

Introduction

A. The Trustee is the trustee of SuperLife ("Plan") a registered superannuation scheme that is governed by a deed dated 21 June 2007 ("Trust Deed") and that offers superannuation benefits to its Members.

B. Pursuant to a deed of participation dated xx xxxxxxxx 2016 ("Participation Deed") the Participating Employer is an Organisation as defined in clause 4 of the Trust Deed.

C. The New Employer is an "Associated Organisation" as that expression is defined in clause 4 of the Trust Deed.

D. By clause 4 of the Participation Deed, the Participating Employer and the Trustee may admit an Associated Employer to participate in the Plan, provided the Associated Employer enters into a deed by which it covenants with the Participating Employer, the Trustee and the Company to comply with and observe all the provisions of the Trust Deed and this Deed so far as they may be applicable to it as an Associated Employer.

E. The New Employer wishes to become an Employer as defined in clause 4 of the Trust Deed for the purpose, inter alia, of facilitating the superannuation benefit arrangements for those of its Employees who join the Plan or who having become Members, become Employees of the New Employer.

F. By clause 18 of the Trust Deed, the Trustee may with the consent of the Company extend the benefits of the Plan to Employees of an Employer subject to the provisions of the Trust Deed.
This deed witnesses:

Definitions

1. Words and phrases defined in the Trust Deed have the same meanings when used in this deed.

Company consent to admission of New Employer

2. The Company consents to the admission of the New Employer as an Employer under the Trust Deed.

Admission of New Employer

3. The Trustee admits the New Employer to participate in the Plan as an Employer with effect from 2016 ("Admission Date"), and the New Employer agrees with the Trustee that, as from the Admission Date, it will comply with and observe:
   
   (a) all the provisions of the Trust Deed (as they may subsequently be varied or replaced from time to time) and
   
   (b) all the provisions of the Participation Deed,

so far as all of them may be applicable to it as an Employer and to the same extent as if each of those provisions had been set out in full in this deed.

Benefits for Employees of the New Employer

4. (a) From the Admission Date, Employees of the New Employer can become Members of the Plan in accordance with the provisions of the Participation Deed and Members who joined the Plan before the Admission Date shall remain as Members notwithstanding a change in their employment after the Admission Date from another Employer that participates in the Plan in accordance with the Participation Deed to the New Employer.

   (b) Until subsequently varied, the terms of participation in the Plan for any Employee of the New Employer shall be the same as the terms set out in the Participation Deed PROVIDED THAT the Trustee may at the request of the New Employer establish a reserve account under the Plan in respect of the New Employer to take effect after the date on which the New Employer is admitted into the Plan.
(c) If a Member’s employment with the New Employer or with an
Associated Employer (as defined in the Participation Deed) changes
after the Admission Date to become employment with another
Associated Employer or with the New Employer or vice versa, such a
change of employment shall not be treated as leaving Service for the
purpose of the Plan.

Notification of amendments

5. The Trustee shall notify the New Employer of any amendment to the Trust
Deed that affects the obligations of an Employer within a reasonable period
before that amendment takes place. If such amendments alter the New
Employer’s obligations, the New Employer may immediately terminate its
participation in the Plan by notice in writing to the Trustee. If the New
Employer terminates its participation in this way, the Members who are
Employees of the New Employer shall become Individual Members as defined
in the Trust Deed for the purpose of providing continuity of membership
immediately following such termination.

Securing the benefits specified in the Schedule

6. The Trustee agrees in respect of a Member who is an Employee of the New
Employer to remit from SuperLife amounts required to secure benefits
specified in the Participation Deed to the extent that the Trustee holds
amounts to the credit of the Member in SuperLife.

The Employer’s required contributions

7. (a) The Trustee and the New Employer agree that the benefits provided to
Members in terms of the Participation Deed are at least in part
dependent on contributions that the New Employer pays to the Plan
either on its own behalf or on behalf of the Members.

(b) If the New Employer does not pay the contributions that are payable
(or does not pay all of them) and if the Trustee decides that the benefits
that are or might become payable to Members are or might be
prejudiced by the New Employer’s failure to pay the required
contributions then:

(i) The Trustee shall advise all affected Members and shall be
entitled to make such adjustments to any future amounts to be
credited to the Members’ Accounts or to any other benefits
provided through the Plan on such basis as the Trustee
determines will equitably distribute the effect of the New
Employer’s failure to pay contributions in respect of all Members affected by those decisions.

(ii) The Trustee shall notify all Members who are employees of the New Employer including the affected Members of those adjustments.

Trustee’s liability limited

8. The Trustee’s liability to meet any obligations to all Members and other Beneficiaries entitled to benefits under the Plan in terms of this deed, is limited to the total of any amounts that were contributed to the Plan either by Members who are or were Employees of the New Employer and/or by the New Employer together with any investment income earned on those sums in the Plan and amounts received in respect of any insurance arrangements applicable to such Members. The Trustee shall not be liable for the payment of any sum that exceeds such total.

Amendment by deed

9. The terms on which the New Employer participates in the Plan may be amended either by a deed between the New Employer, the Trustee and the Company and that is supplementary to this deed or in accordance with the provisions of the Participation Deed. The Trustee will ensure that the requirements of sections 9, 9A and 12 of the Superannuation Schemes Act 1989 are complied with when amending any of the provisions of this deed.

Termination of participation

10. The New Employer shall cease to be an Employer under the Trust Deed:

(a) if the New Employer is placed in liquidation or in receivership; or

(b) if the New Employer gives not less than one month’s notice in writing to the Trustee that it shall cease to participate in the Plan with effect from the date specified in such notice; or

(c) unless the Trustee decides otherwise, if the New Employer ceases to contribute to the Plan for any reason other than having no Members in Service.

Each Member shall then be entitled to receive a benefit payable as a cash lump sum equal to the sum of the Member’s Member Account, the Member’s Employer Account, and the Member’s Voluntary Account as at the date of payment.
Distribution of reserve account on liquidation or receivership

11. If the New Employer ceases to be an Employer in terms of clause 10(a) of this deed then:

(a) All expenses directly associated with the New Employer’s ceasing to participate in the Plan shall be paid out of the reserve account maintained in the Plan by the Trustee in respect of the New Employer.

(b) The balance of the reserve account shall then be distributed among the Members who are Employees of the New Employer on a basis that is in proportion to the value as determined by the Trustee at the date of such application of the amounts of the benefits that those Members would have received under the Plan had they been able to retire on the date of the withdrawal.

(c) The Trustee shall credit each Member’s share of such distribution to the Member’s Employer Account.

(d) If there is insufficient money in the reserve account maintained in respect of the New Employer to meet the expenses referred to in sub-clause (a) then the Trustee shall deduct any expenses in excess of the amount in the reserve account on an equitable basis first from each Member’s Employer Account and then from each Member’s Member Account.
Execution by the parties

Executed by
SuperLife Limited
in its capacity as the
Company by:

Executed by
SuperLife Trustee Limited
in its capacity as the
Trustee by:

Executed by
in its capacity as the New
Employer by:

_________________  ______________  ______________
Authorised signatory  Authorised signatory  Authorised signatory

Executed by
The Reformed Churches
of New Zealand
in its capacity as the
Participating Employer by:

_________________
Authorised signatory

_________________
Authorised signatory