

BENEFIT CERTIFICATE

Superannuation Guarantee (Administration) Act 1992

HOSTPLUS Superannuation Fund, Division 4 – Local Super Sub-Plan

1 Legislative background

Section 10 of the Superannuation Guarantee (Administration) Act 1992 (“the Act”) and Regulation 7 of the Superannuation Guarantee (Administration) Regulations 1993 require an employer to obtain a Benefit Certificate from an actuary in relation to a defined benefit superannuation scheme if contributions by the employer to that scheme are to be used to meet the employer’s obligations under the Act.

2 Classes of members covered by this certificate

This certificate has been prepared at the request of Host-Plus Pty Ltd, the Trustee of the HOSTPLUS Superannuation Fund (“the Scheme”). This Benefit Certificate relates to all members of the Division 4 – Local Super Sub-Plan (“Local Super Sub-Plan”), which is a sub-plan of the HOSTPLUS Superannuation Fund.

3 Name of fund to which this certificate relates

HOSTPLUS Superannuation Fund, Division 4 – Local Super Sub-Plan.

4 Date of effect of this certificate

30 April 2022

This is the first Certificate for the Local Super Sub-Plan and follows a similar form to the certificate for the predecessor plan in the Statewide Superannuation Trust issued by Louise Campbell, FIAA, on 11 June 2021.

5 Date this certificate ceases to have effect

This certificate ceases to have effect on 29 April 2027 or such earlier time as:

- another Benefit Certificate is issued in respect of a class of Members covered by this certificate, or
- the Scheme is amended in a way that affects, or may affect, the level or method of calculation of the minimum benefits for any Scheme members covered by the Benefit Certificate.

6 Minimum Requisite Benefits for each class of member

The Minimum Requisite Benefits (MRBs) for each class of Members are specified in the Attachments to this certificate.

7 Member contributions

For the purposes of this certificate the term “member contributions” is defined to include only Salarylink contributions.

8 Regulation under which Notional Employer Contribution Rate (NECR) determined

The NECR in respect of each class of Members covered by this certificate has been determined in accordance with Regulation 8(2) of the Superannuation Guarantee (Administration) Regulations.

9 Notional Employer Contribution Rate (NECR)

The NECRs for all classes of Members covered by this certificate are set out in the Attachments.

10 Certification

I, Louise Campbell, FIAA, being the appointed Actuary to the Local Super Sub-Plan certify that the Notional Employer Contribution Rates specified in this certificate have been determined using a method that:

- is applicable to the classes of Members specified;
- is consistent with Regulations 9 or 10 of the Superannuation Guarantee Regulations; and
- determines a rate that is comparable to the rate at which the employer of the Members of the specified classes must contribute to the Scheme to provide Members with the Minimum Requisite Benefits.

11 I confirm that each NECR has been calculated in accordance with the Superannuation Guarantee (Administration) Regulations and with Professional Standard 403 issued by the Institute of Actuaries of Australia.



Louise Campbell
Fellow of the Institute of Actuaries of Australia

Towers Watson Australia Pty Ltd
Level 16, Angel Place
123 Pitt Street
SYDNEY NSW 2000

Date: 20 June 2022

Towers Watson Australia Pty Ltd
ABN 45 002 415 349 AFSL 229921

DO: AB, TR: AS, ER, CR: LC

ATTACHMENT 1

Members Employed by Councils or Authorities with Annual Payroll greater than \$1 Million who were aged less than 55 at 1 July 1992

- 1 This attachment applies only to members whose employer is a Council or Authority with a total annual payroll as at 1 July 1992 of more than \$1,000,000, and who were less than 55 years of age as at 30 June 1992.
- 2 The Minimum Requisite Benefit is the sum of:
 - i the cash resignation benefit as at 30 June 1992 determined according to the governing Rules of the Local Government Superannuation Scheme, accumulated with interest at the Declared Rate to 30 September 2001 and thereafter with earnings reflecting changes in the market value of units held;
 - ii member contributions from 1 July 1992, including any rollover credits paid on behalf of the member after 30 June 1992, accumulated with earnings at the Declared Rate to 30 September 2001 and thereafter with earnings reflecting changes in the market value of units held, and
 - iii contributions of the Notional Employer Contribution Rate multiplied by the member's Notional Earnings Base, less deductions for the costs of administration, insurance and taxation on contributions, accumulated with earnings at the Declared Rate to 30 September 2001 and thereafter with earnings reflecting changes in the market value of units held. The Notional Employer Contribution Rates are:

Effective Period	NECR
(a) 1 July 1992 to 31 December 1992	1.00%
(b) 1 January 1993 to 30 June 1995	2.00%
(c) 1 July 1995 to 30 June 1998	3.00%
(d) 1 July 1998 to 30 June 2000	4.00%
(e) 1 July 2000 to 30 June 2002	5.00%
(f) 1 July 2002 to 30 June 2013	6.00%
(g) 1 July 2013 to 30 June 2014	6.25%
(h) 1 July 2014 to 30 June 2021	6.50%
(i) 1 July 2021 to 30 June 2022	7.00%
(j) 1 July 2022 to 30 June 2023	7.50%
(k) 1 July 2023 to 30 June 2024	8.00%
(l) 1 July 2024 to 30 June 2025	8.50%
(m) 1 July 2025 onwards	9.00%

Declared Rate means the rate of interest declared by the Trustee from time to time in respect of any period prior to 1 October 2001 pursuant to the rules of the Local Super Scheme in place prior to that time.

Notional Earnings Base is defined as the lesser of the maximum contribution base as specified in the Superannuation Guarantee (Administration) Act and:

- a prior to 1 July 2008, salary determined in accordance with the governing Rules of the Local Government Superannuation Scheme, and
- b after 30 June 2008, Ordinary Time Earnings as defined in the Superannuation Guarantee (Administration) Act 1992. For clarity, from 1 April 2021 Ordinary Time Earnings is equal to *ordinary time earnings base* as defined in section 23(2) of the Act¹.

The Minimum Requisite Benefit should be reduced by any reduction in the member's benefit as a result of portability, contribution splitting, transition to retirement, splitting of the member's benefit under the Family Law Act 1975 or payment of superannuation contributions (surcharge) tax, excess contributions tax, no-TFN tax or other tax.

The notional employer contributions in item 2(iii) above for each superannuation guarantee quarter should be allocated from a date not later than the date by which superannuation guarantee contributions for that quarter were required to be paid to an accumulation fund.

Prior to 1 July 2013 the Minimum Requisite Benefit included any member contributions made in addition to the Salarylink contributions, including Government co-contributions, additional voluntary contributions (either pre-tax or post tax), transfers and rollovers. Also, the MRB was partly met by a 3% employer contribution to a separate accumulation account. From 1 July 2013 these contributions, along with investment earnings were transferred out of the Local Super sub-plan into the accumulation section of Statewide Super and no further contributions of this nature were made to the Local Super sub-plan. The same approach will continue in Hostplus. This is the reason that the NECRs above are 3% less than the SG rate from time to time.

¹ Under section 23(2) of the Act *ordinary time earnings base* is the sum of ordinary time earnings and any salary sacrificed contributions which have been excluded when calculating ordinary time earnings.

ATTACHMENT 2

Members employed by Councils or Authorities with annual payroll less than \$1 Million who were aged less than 55 at 1 July 1992

- 1 This attachment applies only to members whose employer is a Council or Authority with a total annual payroll as at 1 July 1992 of less than \$1,000,000, and who were less than 55 years of age as at 30 June 1992.
- 2 The Minimum Requisite Benefit is the sum of:
 - i the cash resignation benefit as at 30 June 1992 determined according to the governing Rules of the Local Government Superannuation Scheme, accumulated with earnings at the Declared Rate to 30 September 2001 and thereafter with earnings reflecting changes in the market value of units held;
 - ii member contributions from 1 July 1992, including any rollover credits paid on behalf of the member after 30 June 1992, accumulated with earnings at the Declared Rate to 30 September 2001 and thereafter with earnings reflecting changes in the market value of units held, and
 - iii contributions of the Notional Employer Contribution Rate multiplied by the member's Notional Earnings Base, less deductions for the costs of administration, insurance and taxation on contributions, accumulated with earnings at the Declared Rate to 30 September 2001 and thereafter with earnings reflecting changes in the market value of units held. The Notional Employer Contribution Rates are:

Effective Period	NECR
(a) 1 July 1992 to 30 June 1994	0.00%
(b) 1 July 1994 to 30 June 1995	1.00%
(c) 1 July 1995 to 30 June 1996	2.00%
(d) 1 July 1996 to 30 June 1998	3.00%
(e) 1 July 1998 to 30 June 2000	4.00%
(f) 1 July 2000 to 30 June 2002	5.00%
(g) 1 July 2002 to 30 June 2013	6.00%
(h) 1 July 2013 to 30 June 2014	6.25%
(i) 1 July 2014 to 30 June 2021	6.50%
(j) 1 July 2021 to 30 June 2022	7.00%
(k) 1 July 2022 to 30 June 2023	7.50%
(l) 1 July 2023 to 30 June 2024	8.00%
(m) 1 July 2024 to 30 June 2025	8.50%
(n) 1 July 2025 onwards	9.00%

Declared Rate means the rate of interest declared by the Trustee from time to time in respect of any period prior to 1 October 2001 pursuant to the rules of the Local Super Scheme in place prior to that time.

Notional Earnings Base is defined as the lesser of the maximum contribution base as specified in the Superannuation Guarantee (Administration) Act, and

- a prior to 1 July 2008, salary determined in accordance with the governing Rules of the Local Government Superannuation Scheme, and
- b after 30 June 2008, Ordinary Time Earnings as defined in the Superannuation Guarantee (Administration) Act 1992. For clarity, from 1 April 2021 Ordinary Time Earnings is equal to *ordinary time earnings base* as defined in section 23(2) of the Act.

The Minimum Requisite Benefit should be reduced by any reduction in the member's benefit as a result of portability, contribution splitting, transition to retirement, splitting of the member's benefit under the Family Law Act 1975 or payment of superannuation contributions (surcharge) tax, excess contributions tax, no-TFN tax or other tax.

The notional employer contributions in item 2(iii) above for each superannuation guarantee quarter should be allocated from a date not later than the date by which superannuation guarantee contributions for that quarter were required to be paid to an accumulation fund.

Prior to 1 July 2013 the Minimum Requisite Benefit included any member contributions made in addition to the Salarylink contributions, including Government co-contributions, additional voluntary contributions (either pre-tax or post tax), transfers and rollovers. Also, the MRB was partly met by a 3% employer contribution to a separate accumulation account. From 1 July 2013 these contributions, along with investment earnings were transferred out of the Local Super sub-plan into the accumulation section of Statewide Super and no further contributions of this nature were made to the Local Super sub-plan. The same approach will continue in Hostplus. This is the reason that the NECRs above are 3% less than the SG rate from time to time.

ATTACHMENT 3

Old Benefit Members employed by South Australian Councils or Authorities who were aged less than 55 at 1 July 1992

- 1 This attachment applies only to those contributory members referred to as Old Benefit Members in the governing Rules who were less than 55 years of age as at 30 June 1992 and who are entitled to salary related resignation benefits or equitable shares on resignation.
- 2 The Minimum Requisite Benefit is the sum of:
 - i the resignation benefit as at 30 June 1992 determined according to rule 76(a) of Division 9 of the trust deed of the Statewide Superannuation Trust, multiplied by the member's final average salary as at the date of leaving the service divided by the member's final average salary as at 30 June 1992;
 - ii the Members Credit as at 30 June 1992 determined according to the governing Rules of the Local Government Superannuation Scheme, accumulated with earnings at the Declared Rate to 30 September 2001 and thereafter with earnings reflecting changes in the market value of units held;
 - iii member contributions from 1 July 1992 with earnings at the Declared Rate to 30 September 2001 and thereafter with earnings reflecting changes in the market value of units held, including any rollover credits paid on behalf of the member after 30 June 1992, and
 - iv contributions of the Notional Employer Contribution Rate multiplied by the member's Notional Earnings Base, less deductions for the costs of administration, insurance and taxation on contributions, accumulated with earnings at the Declared Rate to 30 September 2001 and thereafter with earnings reflecting changes in the market value of units held. The Notional Employer Contribution Rates are:

Effective Period	NECR
(a) 1 July 1992 to 31 December 1992	1.00%
(b) 1 January 1993 to 30 June 1995	2.00%
(c) 1 July 1995 to 30 June 1998	3.00%
(d) 1 July 1998 to 30 June 2000	4.00%
(e) 1 July 2000 to 30 June 2002	5.00%
(f) 1 July 2002 to 30 June 2013	6.00%
(g) 1 July 2013 to 30 June 2014	6.25%
(h) 1 July 2014 to 30 June 2021	6.50%
(i) 1 July 2021 to 30 June 2022	7.00%
(j) 1 July 2022 to 30 June 2023	7.50%
(k) 1 July 2023 to 30 June 2024	8.00%
(l) 1 July 2024 to 30 June 2025	8.50%
(m) 1 July 2025 onwards	9.00%

Declared Rate means the rate of interest declared by the Trustee from time to time in respect of any period prior to 1 October 2001 pursuant to the rules of the Local Super Scheme in place prior to that time.

Notional Earnings Base is defined as the lesser of the maximum contribution base as specified in the Superannuation Guarantee (Administration) Act, and

- a prior to 1 July 2008, salary determined in accordance with the governing Rules of the Local Government Superannuation Scheme, and
- b after 30 June 2008, Ordinary Time Earnings as defined in the Superannuation Guarantee (Administration) Act 1992. For clarity, from 1 April 2021 Ordinary Time Earnings is equal to *ordinary time earnings base* as defined in section 23(2) of the Act.

The Minimum Requisite Benefit should be reduced by any reduction in the member's benefit as a result of portability, contribution splitting, transition to retirement, splitting of the member's benefit under the Family Law Act 1975 or payment of superannuation contributions (surcharge) tax, excess contributions tax, no-TFN tax or other tax.

The notional employer contributions in item 2(iv) above for each superannuation guarantee quarter should be allocated from a date not later than the date by which superannuation guarantee contributions for that quarter were required to be paid to an accumulation fund.

Prior to 1 July 2013 the Minimum Requisite Benefit included any member contributions made in addition to the Salarylink contributions, including Government co-contributions, additional voluntary contributions (either pre-tax or post tax), transfers and rollovers. Also, the MRB was partly met by a 3% employer contribution to a separate accumulation account. From 1 July 2013 these contributions, along with investment earnings were transferred out of the Local Super sub-plan into the accumulation section of Statewide Super and no further contributions of this nature were made to the Local Super sub-plan. The same approach will continue in Hostplus. This is the reason that the NECRs above are 3% less than the SG rate from time to time.

