

**BENEFIT CERTIFICATE FOR THE PURPOSES OF PART 3, SECTION 22(2)
OF THE SUPERANNUATION GUARANTEE (ADMINISTRATION)
ACT 1992 (THE ACT)**

THE LOCAL GOVERNMENT SUPERANNUATION SCHEME

This Benefit Certificate has been prepared in respect of certain classes of members of the above Scheme, as specified in the Attachments, who are employed by Local Government Authorities and Associated entities as defined in the Local Government Superannuation Scheme Trust Deed.

The period for which this Benefit Certificate is applicable is 1 July 2008 to 30 June 2013.

This is the seventh Benefit Certificate for the Local Government Superannuation Scheme. The classes of member to which this Benefit Certificate relates and the information required to be provided in respect of each class are set out in Attachments I, II and III.

CERTIFICATION OF ACTUARY

I, Martin Alexander Stevenson of Mercer (Australia) Pty Ltd, 201 Sussex Street, Sydney NSW 2000, being a Fellow of the Institute of Actuaries of Australia do hereby certify that the calculation of the Notional Employer Contribution Rate as defined by Part 2 Section 10(2) of the Act for each class of members, as set out in Attachments I, II and III,

- is not calculated in accordance with Guidance Note 456 issued by the Institute of Actuaries of Australia but the approach adopted has been specifically approved by the Australian Tax Office in respect of the STC Fund for the purposes of the SG Regulations;
- is determined by a method which is applicable to the class, is consistent with the formula set out in Regulation 5 or 6 of the Superannuation Guarantee (Administration) Regulations, and determines a rate that is comparable to the rate at which the employer of the employees must contribute to the superannuation Scheme to provide the employees with the Minimum Requisite Benefit.



Fellow of the Institute of Actuaries of Australia

3 December 2009

Date

ATTACHMENT I

Description of Class of Members to which the Information below refers to:

Classes 1 or 2 as defined in the Appendix

(a) The Notional Employer Contribution Rate, NECR, for the above class of members is:

1	01/07/1992	-	31/12/1992	:	at least 4%
2	01/01/1993	-	30/06/1995	:	at least 5%
3	01/07/1995	-	30/06/1998	:	at least 6%
4	01/07/1998	-	30/06/2000	:	at least 7%
5	01/07/2000	-	30/06/2002	:	at least 8%
6	After 01/07/2002				at least 9%

(b) On exit for any reason the benefit payable for the above class of members cannot be less than the Minimum Requisite Benefit, calculated for each member at a particular date by reference to the following formula:

(VBB92 + VB92) * FASEX / FAS92

plus
the Contributor Financed Benefit pursuant to the SASS Act as at 30 June 1992, adjusted with INTEREST from that date to the date of determination.

plus
(NY4 * 4% + NY5 * 5% + NY6 * 6% + NY7 * 7% + NY8 * 8% + NY9 * 9%) * 1.0524 * DF * FASEX

plus
(NY9a * 9%) * 1.08 * DF * FASOTE

plus
the accumulation of Employee contributions (including Salary Sacrifice contributions and "top up" contributions referred to in the PDS) made from 1 July 1992 adjusted with INTEREST from the date of payment to the date of determination.

plus
the accumulation of Rollovers of Eligible Termination Benefits (made after 1 July 1992) with INTEREST from the date of payment to the date of determination.

plus
the accumulation of Government Co-Contributions with INTEREST from the date of payment to the date of determination.

less
the accumulation of contribution tax relating to Salary Sacrifice and "Top Up" contributions with INTEREST from the date of payment to the date of determination.

less

the accumulation of Administration costs deducted from a Member's Contributor's Benefit Account with INTEREST from the date of payment to the date of determination.

less

the accumulation of any Additional Benefit Levies deducted from a Member's Contributor's Benefit Account with INTEREST from the date of payment to the date of determination.

less

the accumulation of any early release amounts withdrawn (e.g. for severe financial hardship and compassionate grounds) with INTEREST from the date of payment to the date of determination.

less

SUR

less

an adjustment, if any, by way of provisions in Family Law legislation (other than adjustments resulting from changes already made to Eligible Service).

where

- VBB92 = the Employee's vested benefit under the SANCS Act as at 30 June 1992.
- VB92 = the Employee's vested benefit under the SASS Act as at 30 June 1992 less the Contributor Financed Benefit pursuant to the SASS Act as at 30 June 1992.
- FASEX = The Employee's Final Average salary, determined at the relevant date in accordance with section 4.1.1 of Schedule 3 of the Local Government Superannuation Scheme Trust Deed.
- FAS92 = The Employee's Final Average salary used in calculating the Employee's vested benefit as at 30 June 1992 under the SANCS Act.
- OTE = The Employee's Ordinary Time Earnings as defined in sub-section 6(1) of the Superannuation Guarantee (Administration) Act 1992, divided by the Employee's average Salary Ratio over the period in which the OTE is paid.
- FASOTE = The annual average of the Employee's OTE as defined above earned over the period commencing on the 1 January in the year two years before the date of determination and ending on the date of determination.
- NY4 = the number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 1992 to 31 December 1992.

- NY5 = the number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 January 1993 to 30 June 1995.
- NY6 = the number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 1995 to 30 June 1998.
- NY7 = the number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 1998 to 30 June 2000.
- NY8 = the number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 2000 to 30 June 2002.
- NY9 = The number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 2002 to 30 June 2008.
- NY9a = The number of years of Eligible Service, including fractions on a daily basis, which occurred after 1 July 2008.
- DF = the discount factor which is 1 at age 65 reducing by a simple discount of 1.5% for each complete year (and fractions of a year based on complete months) by which the Employee's age at the date of determination precedes age 65 and subject to a minimum factor of 0.7 for ages of 45 or below.
- INTEREST = The Prescribed Rate determined pursuant to section 16 of the SASS Act until 30 June 1997 and at the Prescribed Rate determined by the Trustee from time to time, from 1 July 1997.
- Eligible Service is as defined pursuant to section 1.5 of Schedule 3 of the Local Government Superannuation Scheme Trust Deed, but does not include any period during which the Employee is exempt from the requirements of the Superannuation Guarantee (Administration) Act or has agreed with his / her employer to accept additional salary or wages in lieu of Superannuation Guarantee Contributions in accordance with the Act and its Regulations less an adjustment, if any, by way of provisions in Family Law legislation.
- SUR = The accumulation with INTEREST of any surcharge or Advance Instalment of Surcharge assessed by the

Australian Taxation office in respect of the member
which the Scheme has paid or is liable to pay.

ATTACHMENT II

Description of Class of Members to which the Information below refers to:

Classes 3 or 4 as defined in the Appendix

(a) The Notional Employer Contribution Rate, NECR, for the above class of members is:

1	01/07/1992	-	31/12/1992	:	at least 4%
2	01/01/1993	-	30/06/1995	:	at least 5%
3	01/07/1995	-	30/06/1998	:	at least 6%
4	01/07/1998	-	30/06/2000	:	at least 7%
5	01/07/2000	-	30/06/2002	:	at least 8%
6	After 01/07/2002				at least 9%

(b) On exit for any reason the benefit payable for the above class of members cannot be less than the Minimum Requisite Benefit, calculated for each member at a particular date by reference to the following formula (A) and (B) with the lesser of (A) and (B) applying:

(A) the sum of

$(VBB92 + VB92) * FSEX / FS92$

plus

the amount determined in accordance with section 33B(2)(a) of the SSF Act as at 30 June 1992, adjusted with INTEREST from that date to the date of determination.

plus

$(NY4 * 4\% + NY5 * 5\% + NY6 * 6\% + NY7 * 7\% + NY8 * 8\% + NY9 * 9\%) * 1.0524 * DF * FASEX$

plus

$(NY9a * 9\%) * 1.08 * DF * FASOTE$

plus

the accumulation of Employee contributions made from 1 July 1992 (including any salary sacrifice contributions) adjusted with INTEREST from the date of payment to the date of determination.

plus

the accumulation of Rollovers of Eligible Termination Benefits (made after 1 July 1992) with INTEREST from the date of payment to the date of determination.

plus

the accumulation of Government Co-Contributions with INTEREST from the date of payment to the date of determination.

less

the accumulation of contribution tax relating to Salary Sacrifice contributions with INTEREST from the date of payment to the date of determination.

less

the accumulation of any early release amounts withdrawn (e.g. for severe financial hardship and compassionate grounds) with INTEREST from the date of payment to the date of determination.

less

SUR

less

an adjustment, if any, by way of provisions in Family Law legislation (other than adjustments resulting from changes already made to Eligible Service).

(B) the sum of

the greater of

the employee's benefit entitlement as defined in the Local Government Superannuation Scheme Trust Deed as at the relevant date excluding any increase in the benefit payable under section 24.2 of Schedule 4 of the Local Government Superannuation Scheme Trust Deed

and

the amount determined in accordance with section 33B (2) (a) of the SSF Act as at 30 June 1992, adjusted with INTEREST from that date to the date of determination,

plus

the accumulation of Employee contributions (including salary sacrifice contributions less applicable contribution tax) made from 1 July 1992 adjusted with interest from the date of payment to the date of determination,

plus

the component of the employee's benefit entitlement as defined in Schedule 3 of the Local Government Superannuation Scheme Trust Deed as at the relevant date.

plus

$(NY4 * 1\% + NY5 * 2\% + NY6 * 3\% + NY7 * 4\% + NY8 * 5\% + NY9 * 6\%) * 1.0524 * DF * FASEX$

plus

$(NY9a * 6\%) * 1.08 * DF * FASOTE$

plus

the accumulation of Rollovers of Eligible Termination Benefits (made after 1 July 1992) with INTEREST from the date of payment to the date of determination.

plus
the accumulation of Government Co-Contributions with INTEREST from the date of payment to the date of determination.

less
the accumulation of any early release amounts withdrawn (eg for severe financial hardship and compassionate grounds) with INTEREST from the date of payment to the date of determination.

less
SUR

less
an adjustment, if any, by way of provisions in Family Law legislation (other than adjustments resulting from changes already made to Eligible Service).

where

- VBB92 = the Employee's vested benefit under the SANCS Act as at 30 June 1992.
- VB92 = the Employee's vested benefit under the SSF Act as at 30 June 1992 less the amount determined in accordance with section 33B(2)(a) of the SSF Act.
- FSEX = The Employee's Final Salary, determined at the relevant date in accordance with section 4.1.1 of Schedule 3 of the Local Government Trust Deed.
- FASEX = The Employee's Final Average salary, determined at the relevant date in accordance with section 4.1.1 of Schedule 3 of the Local Government Superannuation Scheme Trust Deed.
- FS92 = The Employee's Final Salary, determined at the annual review date immediately prior to 30 June 1992.
- OTE = The Employee's Ordinary Time Earnings as defined in sub-section 6(1) of the Superannuation Guarantee (Administration) Act 1992, divided by the Employee's average Salary Ratio over the period in which the OTE is paid.
- FASOTE = The annual average of the Employee's OTE as defined above earned over the period commencing on the 1 January in the year two years before the date of determination and ending on the date of determination.
- NY4 = the number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 1992 to 31 December 1992.
- NY5 = the number of years of Eligible Service, including

fractions on a daily basis, which occurred in the period 1 January 1993 to 30 June 1995.

NY6 = the number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 1995 to 30 June 1998.

NY7 = the number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 1998 to 30 June 2000.

NY8 = the number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 2000 to 30 June 2002.

NY9 = The number of years of Eligible Service, including fractions on a daily basis, which occurred in the period 1 July 2002 to 30 June 2008.

NY9a = The number of years of Eligible Service, including fractions on a daily basis, which occurred after 1 July 2008.

DF = the discount factor which is 1 at age 65 reducing by a simple discount of 1.5% for each complete year (and fractions of a year based on complete months) by which the Employee's age at the date of determination precedes age 65 and subject to a minimum factor of 0.7 for ages of 45 or below.

INTEREST = The Prescribed Rate determined pursuant to section 33B(6) of the SSF Act until 30 June 1997, and at the Prescribed Rate determined by the Trustee from time to time, from 1 July 1997.

Eligible Service is as defined pursuant to Section 1.5 of Schedule 3 of the Local Government Superannuation Scheme Trust Deed, but does not include any period during which the Employee is exempt from the requirements of the Superannuation Guarantee (Administration) Act or has agreed with his / her employer to accept additional salary or wages in lieu of Superannuation Guarantee Contributions in accordance with the Act and its Regulations less an adjustment, if any, by way of provisions in Family Law legislation.

Salary Ratio is as defined pursuant to section 1.1 of Schedule 3 of the Local Government Superannuation Scheme Trust Deed.

SUR = The accumulation with INTEREST of any surcharge or Advance Instalment of Surcharge assessed by the Australian Taxation office in respect of the member which the Scheme has paid or is liable to pay.

ATTACHMENT III

Description of Class of Members to which the Information below refers to:

Class 5 as defined in the Appendix

(a) The Notional Employer Contribution Rate, NECR, for the above class of members is:

1	01/07/1992	-	31/12/1992	:	at least 4%
2	01/01/1993	-	30/06/1995	:	at least 5%
3	01/07/1995	-	30/06/1998	:	at least 6%
4	01/07/1998	-	30/06/2000	:	at least 7%
5	01/07/2000	-	30/06/2002	:	at least 8%
6	After 01/07/2002				at least 9%

On exit for any reason the benefit payable for the above class of members cannot be less than the Minimum Requisite Benefit, calculated for each member at a particular date by reference to the following:

- the accumulation of contributions at the NECR times SAL less the tax payable on these contributions made from 1 July 1992, adjusted with INTEREST from the date of payment to the date of determination.
- plus the accumulation of Employee contributions (including salary sacrifice contributions) made from 1 July 1992, adjusted with INTEREST from the date of payment to the date of determination.
- less the expenses and insurance premiums attributed to members by the Trustee adjusted with INTEREST from the date of payment to the date of determination. Whilst these deductions are at the Trustee's discretion, we understand that they will be determined in line with the provisions of SIS Regulations 5.02.
- less the accumulation with INTEREST of any Surcharge or Advance Instalment of Surcharge assessed by the Australian Taxation office in respect of the member which the Scheme has paid or is liable to pay.
- plus the accumulation of Rollovers of Eligible Termination Benefits (made after 1 July 1992) with INTEREST from the date of payment to the date of determination.
- plus the accumulation of Government Co-Contributions with INTEREST from the date of payment to the date of determination.
- less the accumulation of contribution tax relating to Salary Sacrifice contributions with INTEREST from the date of payment to the date of determination.

less

the accumulation of any early release amounts withdrawn (e.g. for severe financial hardship and compassionate grounds) with INTEREST from the date of payment to the date of determination.

less

an adjustment, if any, by way of provisions in Family Law legislation.

where

INTEREST = The Prescribed Rate determined by the Trustee from time to time.

SAL = The member's Salary as defined in the Local Government Superannuation Scheme Trust Deed. For the period from 1 July 2008, SAL will be no less than the Employee's Ordinary Times Earnings as defined in subsection 6(1) of the Superannuation Guarantee (Administration) Act 1992.

APPENDIX

CLASSES OF EMPLOYEES COVERED BY THIS CERTIFICATE

Class 1: Division B members with pre 1 July 1992 service

Employees as at 30 June 1992 who:

- were born after 30 June 1927, and
- would have been entitled to a benefit under section 37 of the SASS Act or under Part 4 of the State Authorities Superannuation (Government Railways Superannuation Scheme Transfer) Regulation 1990 as at 30 June 1992 had they resigned from employment at that date.

Class 2: Division B members without pre 1 July 1992 service

All current and former Employees who:

- became entitled on or after 1 July 1992 to benefits pursuant to the SASS Act, and
- who are not Employees included in Class 1.

Class 3: Division D members with pre 1 July 1992 service

Employees as at 30 June 1992 who:

- were born after 30 June 1927, and
- who would have been entitled to a benefit under section 21(1) or 21(1B) of the SSF Act had they resigned from employment on 30 June 1992.

Class 4: Division D members without pre 1 July 1992 service

All current and former Employees who:

- become entitled on or after 1 July 1992 to benefits pursuant to the SSF Act, and
- who are not Employees included in Class 3.

Class 5

All current and former Employees who:

- are not detailed in Classes 1, 2, 3 or 4.

In this Certificate and Attachments thereto:

- reference to the "SSF Act" are references to the Superannuation Act 1916 and the Regulations issued pursuant to that Act;
- references to the "SASS Act" are references to the State Authorities Superannuation Act 1987 and the Regulations issued pursuant to that act;
- references to the "SANCS Act" are references to the State Authorities Non-Contributory Superannuation Act 1987 and the Regulations issued pursuant to that Act.