

DEFERRED MEMBERSHIP

FACT SHEET

Introduction

If you leave Fire and Emergency New Zealand as a result of resignation, redundancy, retirement, dismissal or loss of physical or mental fitness, you may elect to delay payment of your benefit and continue your membership as a deferred member of FireSuper.

You have one month from the date you leave Fire and Emergency New Zealand to elect to become a deferred member.

Advantages of deferred membership include:

- Funds invested by leading investment managers.
- Investment charges at wholesale rather than retail rates.
- Lower administration charges compared with many retail schemes.
- Accurate and timely monitoring of FireSuper's investments.
- Option to supplement other retirement income by making regular monthly withdrawals.
- Flexibility to make withdrawals at fairly short notice and still invest in higher performing longer-term assets such as equities.
- 24/7 access to FireSuper's secure website to view your account information, update your details and make changes to your superannuation (for example, change investment options or update your address).

How do I become a deferred member?

When you leave Fire and Emergency New Zealand, you need to complete form FS10 'Cessation Advice'.

If you wish to become a deferred member, tick the 'Continue membership' box in Part 1 and Part 2 (if you have a Complying Fund Section balance) of the form.

If you intend to leave the full amount of your benefit in FireSuper, there is nothing further to complete. Return your completed Cessation Advice form to NHQ Payroll.

If you wish to withdraw a portion of your benefit at this time, you also need to complete form FS11 'Deferred Member Withdrawal Request' and return it to FireSuper's Administration Manager at the address on the bottom of the form.

Copies of both forms are available from the FireSuper website (www.firesuper.org.nz), by calling the FireSuper Helpline or emailing Mercer, FireSuper's Administration Manager (contact details below).

What happens next?

Fire and Emergency New Zealand Payroll will process your FS10 'Cessation Advice' form and forward it to FireSuper's Administration Manager. Your accounts will then be updated to reflect you are now a deferred member.

What are the investment returns?

Deferred members' accounts are allocated the same net investment returns as active members invested in the same investment option.

Normally, to allow you to make withdrawals at short notice, your savings would need to be invested in assets such as

cash and fixed interest, which historically have tended to provide moderate returns. Because of the size of FireSuper, you have the flexibility to choose an investment option which includes higher performing longer-term assets such as shares.

Are there any additional costs?

Fund charges and tax are deducted before the net investment return for each investment option is declared.

There is no additional charge to deferred members for investing in FireSuper or remaining a member. However, there is a partial withdrawal fee of \$94.90 for the fifth and any subsequent withdrawal of funds in a financial year (1 April – 31 March). No fee applies to regular withdrawals.

Is there anything else I need to consider?

The following rules apply to deferred members:

- You must maintain a minimum balance of \$5,000 in your Accumulation at all times. If your balance falls below \$5,000, you will be paid the full amount and your membership of FireSuper will cease.
- Four withdrawals of funds per financial year (1 April – 31 March) are free.
- The fifth and subsequent withdrawals in a financial year (1 April – 31 March) attract a charge (currently \$94.90 per withdrawal). This fee does not apply if you are making regular monthly withdrawals.
- Once you are a deferred member, neither you nor your employer can contribute to FireSuper.
- Investment returns (which may be positive, nil or negative) are applied to your Accumulation at the same rate as that applied to all other members' accounts.

Before you apply, FireSuper recommends you seek independent financial advice to decide if becoming a deferred member is right for your personal circumstances. Visit the Financial Advice page on our website, www.firesuper.org.nz/financial-advice for links and resources available to you.

For further information about deferred membership:

Write to:

The Administration Manager
FireSuper
c/- Mercer (N.Z.) Limited
PO Box 1849
Wellington 6140

Call: 0800 MY SUPER (0800 69 78737)

Email: nzfire.super@mercero.com

Visit: www.firesuper.org.nz