

Introduction

This brochure describes the New Zealand Fire Service Superannuation Scheme (the **Scheme**). Further information is included in the Investment Statement. If you are in any doubt, the exact wording of the Scheme's provisions is contained in the Trust Deed.

This brochure is not intended as a substitute for the Investment Statement. The Investment Statement and Trust Deed are available at www.firesuper.co.nz or from the Secretary to the Trustees.

For the sake of clarity the Superannuation and the KiwiSaver Complying Superannuation Fund sections of the Scheme are dealt with separately in terms of this brochure.

Trustees

The Scheme is managed by seven Trustees, three of whom are appointed by the New Zealand Professional Firefighters Union, three who are appointed by the New Zealand Fire Service Commission and one who is appointed by the other six.

Features of the Scheme

The Trustees as part of their ethos to continue to upgrade and maintain the viability of the Scheme, have amended the Trust Deed to provide that the Scheme is a Complying Superannuation Fund under the Superannuation Schemes Act 1989 and therefore is effectively able to deal with members who want most of the benefits of KiwiSaver and to have the balance of their subsidised contribution placed in the Superannuation section of the Scheme

In general terms the Scheme is a defined contribution scheme designed to provide the employee with a lump sum benefit on ceasing employment with the New Zealand

Fire Service in respect of the Superannuation section. A generous subsidy by the employer and active management by the Trustees ensures attractive benefits for both sections of the Scheme.

The Trustees have committed to a policy of responsible investment including environmental, social and governance considerations.

The Scheme currently provides that members may elect to invest in one or a combination of two or more investment options established by the scheme. These choices are:

- Cash option
- Conservative option
- Balanced option
- High growth option.

Members may alter their option once within any twelve month period. Such election must be made online.

Who may join?

Any person who is employed by the New Zealand Fire Service as National Commander, Deputy National Commander, Regional Commander, Executive Fire Officer, Officer, Firefighter, Controlroom staff, Black Watch staff, Mechanics, or Community Safety team members are eligible to join from the first day on which they become an employee.

Documents available

The Scheme is subject to the Securities Act 1978 which requires the Trustees to maintain a Prospectus about the Scheme, however 'employer superannuation schemes' have been exempted from this requirement. The Scheme is still required to maintain an Investment Statement, which is available on request and at no charge from the Secretary to the Trustees at the address on the front page of this brochure.

Financial Statements, and other documents related to the Scheme are also available at the Companies Office of the Ministry of Economic Development for public inspection. Documents can also be viewed (if available) on the website of the Companies Office - www.companies.govt.nz. Copies may be obtained by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726. A prescribed fee may be payable.

Members of the Scheme are entitled to request a copy of the Scheme's Investment Objectives and policy and how changes can be made to these Objectives and that policy at any time. This information is available from the Secretary to the Trustees at the address on the front page of this brochure.

Prior to joining this Scheme you are entitled to look at or request a copy of the Trust Deed and you may request a copy of the most recent Annual Report, most recent Financial Statements and any Auditors Report thereon from the Secretary to the Trustees at the address on the front page of this brochure.

Miscellaneous

Once your application to join has been accepted you will receive a membership

certificate and a copy of the most recent Annual Report of the Trustees which contains Financial Statements for the financial year under review.

The Trustees will provide you with a copy of their Annual Report and the financial statements each year.

You are entitled to receive an estimate of your benefits at any time. Should you require this information you should contact the Scheme Administrator at any of the addresses listed on page 3 of this brochure. If you require a written quotation, on each occasion a fee of \$56.67 will be levied.

Financial year

The Scheme's financial year is from 1 April to 31 March.

Reduction in benefits

You should be aware that the Scheme is always likely to hold a proportion of its assets in equities and other investments where values may fluctuate. Although the Investment Managers, with the Trustees approval, make such investments in order to achieve the maximum long-term advantage, such a strategy is not without its risks.

It is conceivable that from time to time there may be a negative return. In this situation it is possible that a negative interest rate will be applied to your retirement account.

Interest

Interest will be added to your total retirement account at the conclusion of each financial year. The Trustees will declare the interest rate after taking into account all tax and expenses incurred during the year.

Members paid by 'total remuneration'

Members who are employed on a 'total remuneration' salary package are effectively paying for the employer's contributions by way of a salary reduction.

Administration of the Scheme

Mercer (NZ) Limited, which is based in Wellington, administers the Scheme on behalf of the Trustees. You can contact the Scheme Administrator during normal working hours for information on your personal details held, for account balances or an estimate of your benefits by free-phone on:

0800 MY SUPER -0800 69 78737-
or by email on:

nzfire.super@mercerc.com

Further information is also available from the Scheme's website at:

www.firesuper.co.nz.

Winding up of the Scheme

Should the Scheme be wound up, no part of the Superannuation assets of the Scheme will revert to the employer.

KiwiSaver Complying Superannuation Fund section savings are held in an account in the name of the employee. In respect of the Superannuation section contributions, if the Scheme was to be wound up, the total of the assets would be applied to those who are members of the Scheme at the time.

Contact address

Should you wish to correspond with the Trustees, you should write to:

The Secretary to the Trustees
NZ Fire Service Superannuation
Scheme
PO Box 36287,
Merivale
CHRISTCHURCH 8146

or by e-mail on:

info@firesuper.co.nz

or by telephone on:

Phone/fax: 0-3-355 3499

Mobile: 021 653 499.

Dispute Resolution

If you wish to make a complaint about the Scheme you should contact the Secretary to the Trustees. The Trustees of the scheme have an internal dispute resolution process and undertake to investigate your concerns promptly and fairly. You may contact the Secretary to the Trustees to make a complaint by telephone, by email or in writing.

The Trustees of the Scheme are registered on the register of Financial Service Providers. The Trustees also belong to an independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL) and approved by the Ministry of Consumer Affairs. The Trustees of the Scheme have 40 days to respond to your complaint. If you are not satisfied by the response of the Trustees, you may refer the matter to FSCL by emailing info@fscl.org.nz or calling FSCL on 0800 347 257. Full details of how to access the FSCL scheme can be obtained on their website www.fscl.org.nz. There is no cost to you to use the services of FSCL.

Superannuation section

Provisions applying to the Superannuation section.

Contributions

Your rate of contribution is 6 per cent of salary or wages. The employer subsidy is \$2.27 for each dollar you contribute. After the deduction of tax, a subsidy of \$1.52 is credited to members' accounts.

There is provision for you to make voluntary contributions. To do so requires you to seek the approval of the Trustees. Voluntary contributions may be paid through the Fire Service payroll system or by direct credit to the Scheme's bank account. Voluntary contributions do not attract any employer subsidy.

Benefits

You should be aware that, if you are a member of the KiwiSaver Complying Superannuation Fund section, in order to receive the portion of your benefit that is paid from that section, additional criteria must be met, as described in the KiwiSaver Complying Superannuation Fund section of this brochure. On cessation of employment with the Fire Service the benefits described below are payable.

Retirement: A capital sum equal to the total held in your retirement account is payable in the form of a lump sum. Should you specifically request, the Trustees will provide you with details of companies which are able to provide an annuity. Arrangements for purchasing an annuity will be between you and the company concerned.

Resignation: A capital sum equal to the total held in your retirement account is payable in the form of a lump sum. A capital sum equal to the total held in your retirement account is also payable if you are retrenched.

Loss of medical fitness: If you are required to retire from the Fire Service in accordance with section 72 of the Fire Service Act 1975, the benefit payable will be the greater of the total in your retirement account or two years salary or wages at current rates.

Loss of physical fitness: If you are required to disengage from the Fire Service in

accordance with section 72 C of the Fire Service Act 1975, the benefit payable will be the greater of the total in your retirement account or two years salary or wages at current rates.

Death: the death benefit payable is an amount equal to the total held in your retirement account (including any amount subject to the KiwiSaver Complying Superannuation Fund section of the Scheme) or two years wages or salary at current rates, whichever is the greater. Payment of the death benefit will be to your dependants or to your legal personal representative.

You should be aware that where contributions are reduced below six per cent of salary or wages (which includes contributions to the KiwiSaver Complying Superannuation Fund section) for other than Sick or Accident Leave without Pay, there will be a corresponding reduction in any minimum benefit paid in the event of loss of medical fitness, loss of physical fitness or death.

Withdrawal of contributions

As the Scheme is designed to provide financial security in retirement to a contributing member, withdrawal of contributions before ceasing employment with the New Zealand Fire Service is not permitted.

Continued membership after retirement

Members who retire from the Fire Service are permitted to continue membership of the Scheme provided they advise the Trustees of their wish to do so within one month of their retirement.

All balances within the Scheme are credited with the same interest rates as the balances of members who are still employed by the Fire Service.

There is no charge for this service. Contributions may still be made by direct bank credit, however these are not subsidised by the Fire Service. Four free withdrawals per annum are permitted with extra withdrawals being charged at \$56.67 each.

There is no enhancement of any benefit by the Fire Service or the Scheme for members who have retired from the Fire Service and continue Scheme membership.

Reduction or suspension of contributions

When you join this Scheme you undertake to make regular contributions at an agreed rate. The Trustees recognise that there will be occasions when it will not be possible to maintain contributions at the agreed rate. The Trustees will consider, upon receipt of an application from you, any request to vary your contribution rate. Some circumstances are:

Leave without Pay: Whilst on Leave without Pay your contributions are deemed to be zero and no subsidy is payable by the Fire Service. For the purposes of calculating Service, time spent on Leave without Pay is considered to be continuous.

Sick Leave without Pay: For the purposes of calculating two years salary or wages, the last complete pay received by you prior to being placed on Sick Leave without Pay will be recognised. For the purposes of calculating Service, time spent on Sick Leave without Pay is considered to be continuous.

Accident Leave without Pay: The same provisions apply to Accident Leave without Pay as apply to Sick Leave without Pay.

There may be other reasons for which you feel it is necessary to seek the approval of the Trustees to reduce your agreed rate of

contribution. In such circumstance write to the Secretary to the Trustees at the address on the front page of this brochure.

Cessation of contributions: Should you cease contributions whilst still remaining an employee of the Fire Service, a benefit will be determined which is equal to your resignation benefit at the date you cease contributions. This benefit will be held in the Scheme and attract interest at the declared earning rate each year. The benefit will not be payable until such time as you leave Fire Service employment.

KiwiSaver Complying Superannuation Fund section

Provisions applying to the KiwiSaver Complying Superannuation Fund section.

Members are entitled to elect to join the KiwiSaver Complying Superannuation Fund section, the provisions of which are governed by the Fifth Schedule to the Trust Deed.

The Fifth Schedule to the Trust Deed makes the Scheme a Complying Superannuation Fund in terms of the Superannuation Schemes Act 1989.

Every member who elects to make contributions to the KiwiSaver Complying Superannuation Fund section must commit to be a continuing member of the KiwiSaver Complying Superannuation Fund section until reaching the New Zealand retirement age (currently 65) or the expiry of five years after joining the KiwiSaver Complying Superannuation Fund section (whichever is the latter).

Contributions

As at the date of this brochure, Members can elect to contribute to the KiwiSaver Complying Superannuation Fund

section at a rate of 2% or 4% of salary or wages.

As a result of changes announced in Budget 2011, it is proposed that from 1 April 2013 the minimum contribution rate to the KiwiSaver Complying Superannuation Fund section for both new and existing members will increase from 2% to 3%. If this proposal is carried through, this will mean that from 1 April 2013:

- New members will have the choice of electing to contribute to the KiwiSaver Complying Superannuation Fund section at a rate of 3% or 4% of salary or wages;
- Existing members who were contributing to the KiwiSaver Complying Superannuation Fund section at the rate of 2% will automatically have their contribution rate increased to 3%; and
- Existing members who were contributing to the KiwiSaver Complying Superannuation Fund section at a rate of 4% will remain on the 4% contribution rate.

Your contributions to the KiwiSaver Complying Superannuation Fund section count towards the 6% rate of contributions to be made to the Superannuation section.

For each dollar contributed by a member to the KiwiSaver Complying Superannuation Fund section, the employer will contribute \$1.52 (net of tax). A portion of the employer's contribution equal to the member's minimum contributions to the KiwiSaver Complying Superannuation Fund section (ie, 2% of salary or wages, or, if the proposed increase to the minimum employer and employee contributions is carried through, 3% of the member's superable salary or wages) will be paid to the KiwiSaver Complying Superannuation

Fund section. The balance will be paid to the Superannuation section.

The employer's contribution in respect of member contributions to the KiwiSaver Complying Superannuation Fund section form part of (and are not in addition to) the employer contributions to the Scheme referred to earlier in this brochure.

Your contributions to the KiwiSaver Complying Superannuation Fund section count towards the maximum rate of contributions permitted to be made to the Scheme.

Provided a member meets certain criteria, the Government will contribute \$0.50 to the KiwiSaver Complying Superannuation Fund section of the Scheme for every dollar contributed to the KiwiSaver Complying Superannuation Fund section by the member, subject to a maximum annual contribution of \$521.43.

All contributions to the KiwiSaver Complying Superannuation Fund section vest in the member immediately upon payment to the Scheme. The contributions to the KiwiSaver Complying Superannuation Fund section are not assignable and cannot be charged or passed to any other person, whether by way of security, operation of law or any other means, except by enactment.

Benefits

Because contributions to the KiwiSaver Complying Superannuation Fund section of the Scheme are subject to the KiwiSaver Complying Fund Rules, the following additional criteria must be satisfied before the portion of any benefit payable from the KiwiSaver Complying Superannuation Fund section can be paid:

Retirement or Resignation: The portion of your retirement account that is subject to the KiwiSaver Complying Superannuation Fund section is only available at the date of New Zealand retirement age or five years after joining the KiwiSaver Complying Superannuation Fund section (whichever is the latter).

If you have not reached the New Zealand Retirement age, or have, but have not been a member of the KiwiSaver Complying Superannuation Fund section for five years, the portion of your retirement account subject to the KiwiSaver Complying Superannuation Fund section will remain in the Scheme until you are eligible for a benefit under the KiwiSaver Complying Superannuation Fund section, or, if you are no longer eligible to be a member of the Scheme, this amount will be transferred to a KiwiSaver scheme.

Loss of medical or physical fitness:

Members of the KiwiSaver Complying Superannuation Fund section may apply for a loss of medical or physical fitness benefit (as described in the Superannuation section above). In order to qualify for the portion of this benefit payable from the KiwiSaver Complying Superannuation Fund section, in addition to the requirements described in the Superannuation section above, the Trustees must be reasonably satisfied that the Member is suffering from an injury, illness, or disability:

- that results in the Member being totally and permanently unable to engage in work for which the Member is suited by reason of experience, education, or training, or any combination of those things; or
- that poses a serious and imminent risk of death.

If you are eligible for a loss of medical or physical fitness withdrawal from the Superannuation section of the Scheme, but these additional criteria are not satisfied,

you will only be entitled to receive the portion of your loss of medical or physical fitness benefit payable from the Superannuation section. The portion of your benefit payable from the KiwiSaver Complying Superannuation Fund section will remain in the Scheme until you are eligible for a benefit under the KiwiSaver Complying Superannuation Fund section, or, if you are no longer eligible to be a member of the Scheme, this amount will be transferred to a KiwiSaver scheme.

Death: The portion of this benefit payable from the KiwiSaver Complying Superannuation Fund section will be paid to your legal personal representative.

Withdrawal of contributions

Contributions to the KiwiSaver Complying Superannuation Fund section will be paid out in accordance with any Court Order (including any Order pursuant to the Property (Relationships) Act 1976).

Members may request a transfer out to another Complying Superannuation Fund or to a KiwiSaver Scheme.

It is mandatory to transfer to a KiwiSaver Scheme if the member:

- ceases to be eligible to be a member of this Scheme; or
- cannot remain a member for any reason and in circumstances where the Financial Markets Authority revokes approval of the Scheme as a Complying Superannuation Fund.

The Trustees have determined that no other early withdrawals from the KiwiSaver Complying Superannuation Fund section will be allowed.

Suspension of contributions

In the event that a member applies for a contributions holiday by way of application

to the Commissioner of Inland Revenue,
they must also seek the consent of the
Trustees pursuant to the provisions of the
Trust Deed to any reduction of contributions
to the KiwiSaver Complying
Superannuation Fund section.

For and on behalf of the Trustees

A handwritten signature in black ink, appearing to read 'Barry Dent', with a long horizontal flourish extending to the right.

Barry Dent
Secretary to the Trustees

14 November 2011