

# facts

## Membership Comparison Defined Benefit vs Accumulation

There are two main categories of membership in AvSuper: defined benefit membership and accumulation membership. The differences between these two categories are listed below:

### Defined Benefit

### Accumulation

#### Joining

Some members employed by ASA/CASA prior to August 2002 were eligible for this category. Other than those members, defined benefit membership is now closed to new members.

Accumulation membership is open to everyone. Please refer to the members section of our website for details on how you can join AvSuper.

#### How benefits are calculated

Benefits are calculated, or defined, using a formula based on your salary, contribution rate and years of membership

Benefits are calculated, or accumulated, by the amount of contributions you or your employer paid into AvSuper, any amounts that you roll over to your account and any investment earnings. If an investment loss is incurred, the account balance is reduced accordingly

#### Accounts

There are no individual member accounts. Member and employer contributions are pooled and invested, then used to pay members benefits as required

Individual member accounts are maintained. Accounts are unit based which means members are allocated a number of units based on the contributions received and the unit price that day. Each week a unit price is calculated for each investment option, which reflects investment earnings and changes in the market. Hence, accounts either increase or decrease on a weekly basis.

#### Effect of investment returns on benefits

As benefits are formula based, investment performance will not affect the level of benefit payable. As an employer sponsored Fund, the employer bears the investment risk.

The investment returns for the strategy you have chosen (or the Growth option if you have not made a choice) directly affect your benefit. This means you bear the investment risk.

#### Investment choice

Investment choice is not available.

Investment choice is available to you. You choose from four strategies (or any combination of the four). If you do not choose your account is included in the Growth option.

#### Fees and taxes

All fees and taxes and insurance costs are deducted from the pooled monies and do not impact on the benefit you receive.

Refer to Fees and Charges for full information of these. Insurance premiums, if applicable, and a weekly administration fee are debited from your account weekly. Contributions tax is deducted on receipt of concessional contributions and earnings tax is deducted in the calculation of the unit price. Investment management costs and an asset based administration fee are also deducted from assets prior to the unit price being determined each week.

Defined benefit members can transfer to the accumulation category at any time, but accumulation members can not transfer to the defined benefits category.