



NZUSS

New Zealand Universities' Superannuation Scheme

11 February 2009

Dear Member

New Zealand Universities' Superannuation Scheme

This notice is provided pursuant to clause 6(2) of the Securities Act (Renewals and Variations) Exemption Notice 2002 and is to advise you of changes that are being made to the trust deed of the New Zealand Universities' Superannuation Scheme ("the Scheme"). These changes are being made to reflect changes to the minimum contribution rates to KiwiSaver schemes and complying superannuation funds (such as the Scheme) made by the Government in the Taxation (Urgent Measures and Annual Rates) Act 2008.

The changes, which will take effect on 1 April 2009, are as follows:

- 1 Unsubsidised Members who join the Scheme on or after 1 April 2009 will generally be required to contribute a minimum of 4% of their salary to the Scheme, although Unsubsidised CFA Members who join the Scheme on or after 1 April 2009 may (subject to legislation current as at the date of this letter continuing to apply and to certain other technical requirements being met) count their employer's compulsory contribution of up to 2% of salary towards this amount.
- 2 Subsidised Members who join the Scheme on or after 1 April 2009 will generally be required to contribute a minimum of 4% of their salary to the Scheme but may (subject to legislation current as at the date of this letter continuing to apply and to certain other technical requirements being met) count their employer's compulsory contribution towards up to 1% of this amount.
- 3 Unsubsidised CFA Members who joined the Scheme before 1 April 2009 and receive a compulsory employer contribution to the Scheme will generally be able to reduce their contributions to the Scheme to 2% of their salary by counting their employer's compulsory contribution towards the 4% minimum contribution to the Scheme, if the complying fund rules permit it and certain other technical requirements are met.
- 4 Subsidised CFA Members who joined the Scheme before 1 April 2009 will generally be able to reduce their contributions to the Scheme to 3% of their salary by counting their employer's compulsory contribution towards 1% of the 4% minimum contribution to the Scheme, if the complying fund rules permit it and certain other technical requirements are met. Sufficient contributions must be directed to the Member's Locked In No. 1 Account to meet the statutory minimum (2% of salary) but with the member's consent the balance could be directed to the Member's No. 1 Account.



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- 5 Subsidised Members who are not CFA Members and who joined the Scheme between 1 July 2007 and 31 March 2009 (inclusive) may (subject to legislation current as at the date of this letter continuing to apply and to certain other technical requirements being met) count their employer's compulsory contribution to the Scheme towards up to 1% of their 4% minimum contribution.
- 6 Members making voluntary contributions will be able to direct whether these contributions are paid to the Member's No. 1 Account or Member's Locked In No. 1 Account. If no direction is made contributions will be paid to the Member's No. 1 Account. This flexibility allows CFA Members to maximise their Government tax credit contributions where these would not be fully utilised by contributions to the Scheme from their salary.
- 7 Members will be able to elect to change their contribution rate at any time permitted by the Trustees, subject to meeting certain legal minimums and to providing one month's written notice (or such letter period of notice determined by the trustees).

In addition, while it is not reflected in the trust deed, members should be aware that the maximum exemption for employers from Employer Superannuation Contribution Tax will drop from 4% of salary to 2% of salary from 1 April 2009.

Members should be aware that as the Scheme is an "exempt employer" scheme the minimum member contribution is 4% of salary. In certain circumstances (such as those outlined above) employer contributions can be counted towards this amount. However, any future changes to the rate of employer contributions for a member or to the ability to count employer contributions towards the statutory minimum may mean that members need to increase their own contributions.

The Trustees have obtained the consent of the Universities to the trust deed amendments necessary to effect the above changes and have resolved to amend the deed in accordance with clause 21 of the trust deed. Clause 21 of the trust deed permits the Trustees to amend the trust deed so long as the requirements in that clause are met. The amendments will proceed by way of a consolidation of the existing trust deed to incorporate the changes and will be lodged with the Government Actuary. The changes outlined above will take effect on 1 April 2009.

A copy of this notice has been sent to all members of the Scheme.

Further details of the changes can be obtained by contacting 0800 864 724 or www.superfacts.co.nz.

Yours sincerely



Penny Fenwick
Secretary