

Division 6 Transfer – 12 August 2009

Change in Company Policy

Qantas Airways Limited (the Company) has announced two changes to its policy:

- to allow members of Divisions 1, 2 or 3 of the Qantas Superannuation Plan (the Plan) to request to transfer to Division 6; and
- a changed Choice of Fund (COF) policy

Division 6 Transfer

The change in Company policy now allows members to request to transfer to Division 6 at any time.

If you elect to transfer to Division 6:

- Your accounts in Division 1, 2 or 3 will be closed (including the defined benefit portion) and transferred to Division 6. Division 6 is a wholly accumulation style superannuation arrangement;
- Your opening balance will be no less than your resignation benefit from your previous division of membership;
- Any defined benefit entitlements, including benefit guarantees from previous Australian Airlines funds, will apply for the calculation of the transfer amount but will cease to apply in Division 6;
- The lump sum death and disability benefit in Division 6 will be guaranteed to be no less than the dollar value of those benefits from your previous division as at the date of transfer;
- The transfer will occur on the first day of the month following receipt of the Request to Transfer to Division 6 Form. Note that a request to transfer received in October 2009 will be processed on 1 November 2009 and the pre-1 November 2009 contribution rates will apply. The post-1 November 2009 contribution rates will apply to all requests received on or after 1 November 2009; and
- The ongoing Company contribution to Division 6 will be dependant on the date of transfer, with different contribution rates applying for transfer requests received on or after 1 November 2009 (see details in the right column).

Company Contributions to Division 6

Company contributions to Division 6 will be the same as under the COF policy. Different contribution rates will apply for members who transfer to Division 6 or to another superannuation arrangement before 1 November 2009 and on or after that date.

Division 6 transfer request prior to 1 November 2009

For Division 6 transfer requests received prior to 1 November 2009, the current COF policy (as at August 2009) will still apply. That is:

- The Company contribution rates currently available for COF transfers will apply to transfers to Division 6. The Company contribution rate is the amount calculated by the actuary for the 2005 transfer offer representing the cost to the Company of providing your benefits;
- Details of the current contribution rates are available from the Plan that has been provided with them by the Company; and
- Therefore the existing % of your Superannuation Salary (as defined at the date of transfer) continues to be paid by the Company ongoing to age 65 in Division 6.

Division 6 transfer requests on or after 1 November 2009

- For Division 6 transfer requests received on or after 1 November 2009, the Company contribution rate will be 9% or 10% (depending on your EBA) of your Ordinary Time Earnings (as defined in superannuation legislation) up to the maximum superannuation contribution base (currently \$40,170 per quarter for the 2009/2010 financial year).

If, on or after 1 November 2009, you subsequently transfer from Division 6 under Choice of Fund, these Company contributions will apply to those new arrangements.

Features of Division 6

Full details of Division 6 are outlined in the PDS for Division 6.

Several of the main features of Division 6 which may differ for your current Division of membership are:

- All benefits are accumulation style and receive interest at the respective credited interest rate (**CIR**) of the Member Investment Choice (**MIC**) Options elected by the member (or the default MIC Option if the member does not select an option);
- All Company contributions may be made on a concessional contribution (salary sacrifice) basis and may be varied at any time. Concessional contribution caps apply;
- Member contributions are not compulsory, but may be made on a voluntary basis;
- Five MIC options are available, and you can chose to switch monthly;
- Insurance benefits apply to age 65 for all members (for Technical Aircrew, there are no lump sum offsets for loss of licence);
- Fees and costs are paid by the member for both administration (0.2% of Superannuation Salary) and insurance (0.9% of Superannuation Salary) which are deducted from your account on 30 June each year or when you leave Division 6; and
- Division 6 allows full access to Division 14 Transition to Retirement Account (subject to age requirements and minimum account balances).

Request to Transfer to Division 6

To request to transfer to Division 6 of the Plan you must:

- Read the PDS for Division 6 (this can be downloaded from the Plan's website); and
- Complete and return the Request to Transfer to Division 6 Form (this can also be downloaded from the Plan's website).

Further Information

This information is factual information and is not financial advice or an offer by the Company or Qantas Superannuation Limited (the **Trustee**) for you to transfer to Division 6.

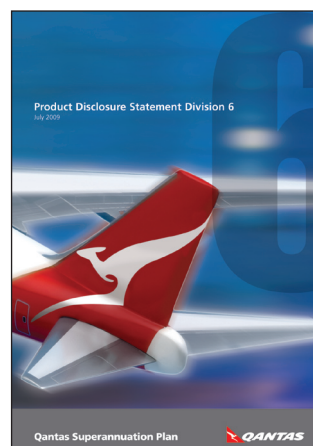
You may request to transfer to Division 6, but before making such an important decision, the Trustee recommends that you:

- Carefully consider the terms of such a request;
- Make sure you understand the features of (and the differences between) your current Division and Division 6;
- Obtain your own financial advice about your financial situation.

Details of your current Division of membership in the Plan can be found in the member information booklet located in the secure Members Area of this website. You will require a personal identification number (PIN) to access this area which can be obtained by contacting the Plan.

If you require any further information you can contact the Plan:

- By calling 1300 654 384; or
- By sending an email to info@qantassuper.com.au



Division 6 PDS

Request to Transfer to Division 6 Form