

GROSVENOR PIRIE MASTER SUPERANNUATION FUND – SERIES 2

Trust Company Superannuation Services Limited

Trustee:

ABN: 49 006 421 638

AFSL: 235153

Trustee No.: L0000635

Fund:

ABN: 32 367 272 075

SPIN: TCS0004AU

Fund Registration No.: R1001204

Significant Event Notice (“SEN”)

This notice contains information about:

- a) changes to superannuation rules which recently became law;
- b) the appointment of an Eligible Rollover Fund (ERF);
- c) an increase in the Termination Fee on exiting the Fund.

a) Changes to superannuation rules which recently became law:**Most (but not all) the new rules apply from 1 July 2007.****Some transitional arrangements apply to certain contributions or other amounts made to a superannuation fund between 10 May 2006 and 30 June 2007.****Some changes to the contribution splitting rules apply from 5 April 2007.****These changes may affect how much you can contribute to superannuation and the amount of tax applicable to contributions and superannuation benefits in the future. The consequences of not providing your tax file number have also changed.****The changes may also affect when and how you take your superannuation benefits.****As the changes may have a significant impact on you, we recommend you seek appropriately qualified advice.****The Changes*****Contributions***

From 1 July 2007, there will no longer be deduction limits for contributions by employers and self-employed individuals. Employers can claim a full tax deduction for all contributions made for employees under age 75. Self-employed contributions are fully deductible if a member makes an election within the new time limits and is at least 18 and less than 75 years of age.

Member contributions for which a tax deduction is not claimed, spouse contributions and certain other amounts (called non-concessional contributions) made on or after 1 July 2007 will be subject to new limits. If contributions in excess of these limits are made (across all funds that you participate in), they will be subject to higher tax (payable by the member) which must be paid from monies released from superannuation on presentation of a Tax Office release authority to a relevant fund. A superannuation fund must return any non-

concessional contributions made to that fund in excess of the new limits within 30 days of becoming aware that they have been received (after making allowable adjustments).

As a result of the introduction of these new limits, individuals have the one-off opportunity to contribute non-concessional contributions of up to \$1 million to a superannuation fund between 10 May 2006 and 30 June 2007. Contributions already made between 10 May 2006 and 7 December 2006 which exceed this \$1 million cap may be withdrawn from a superannuation fund without penalty by applying to the Tax Office for a 'Transitional Release Authority' before 1 July 2007.

New limits will also apply to taxable contributions (called concessional contributions) from 1 July 2007. Concessional contributions include employer contributions, self employed contributions (for which a tax deduction has been claimed) and salary sacrifice contributions. If concessional contributions in excess of these limits are made (across all funds that you participate in), they will be subject to higher tax (payable by the member) which may be paid from monies released from superannuation on presentation of a Tax Office release authority to the relevant fund or from the member's own resources.

If you would like more information about the limits applicable to concessional and non-concessional contributions, please contact Fund Administrator on 02 9380 4966 or go to www.ato.gov.au/super If you make or receive large contributions (including from a spouse or employer) we recommend you seek appropriately qualified advice about how these limits may impact you.

Tax File Numbers

From 1 July 2007, if a superannuation fund does not hold a member's Tax File Number (TFN) higher tax (No-TFN Tax) may apply to the member's concessional contributions and the fund cannot accept non-concessional contributions in respect of the member. No-TFN Tax will not apply to existing members as at 30 June 2007 whose concessional contributions in a year do not exceed \$1,000. The No-TFN tax can (**but is not required to**) be claimed back by the fund if the TFN is quoted in the subsequent 3 year period for the benefit of the relevant member. Non-concessional contributions must be returned if no TFN is held at the time the contribution is made (after making allowable adjustments).

Stricter obligations will be imposed on employers to ensure they pass employees TFNs to their superannuation fund.

If you have not provided your TFN to us (or you are not sure whether we hold it), fill out the attached form and send it to:

**Grosvenor Pirie Master Superannuation Fund – Series 2
GPO Box 263
Sydney NSW 2001**

Contribution-splitting

As a result of changes to the taxation of contributions, the amount of contributions that can be split pursuant to a contribution splitting application has also changed. From 1 July 2007, the maximum amount of concessional contributions that can be split cannot be higher than the concessional contributions limit. With effect from 5 April 2007, it will no longer be possible to split member contributions for which a tax deduction has not been claimed unless these member contributions were made prior to 6 April 2007 (subject to a maximum of 100%).

Compulsory Cashing

Benefits can remain in a superannuation fund until death. Compulsory cashing rules applicable from age 65, in certain circumstances, have been abolished with effect from 10 May 2006.

Benefits Tax

Reasonable Benefit Limits (which restrict the amount of concessional tax superannuation a person can receive) have been abolished from 1 July 2007.

Benefits paid from a taxed source to a member who is aged 60 or more will be tax free, regardless of whether they are paid as a lump sum or income stream.

Benefits paid from a taxed source to a member who has reached their preservation age and is less than 60 years of age, will continue to be concessional tax but in a simplified manner. There will now be two components, a tax free component and a taxable component, taxed at a reduced rate.

Death benefits paid to dependants remain tax free (whether paid directly to the dependants or via the deceased member's estate).

Death benefits paid to non-dependants must be paid as a lump sum by a superannuation fund and will be subject to tax (including when the benefit comes via the deceased member's estate).

Pensions

New pension standards will apply to account based pensions (currently referred to as allocated pensions) which commence to be paid from a superannuation fund from 20 September 2007. These new standards may be applied earlier to pensions that commence to be paid from 1 July 2007.

Except in the case of non-commutable account based pensions paid to members who have reached their preservation age but are still working (called transition to retirement pensions) there will be annual minimums but no maximums applied to the amount of pension that can be received. Transition to retirement (account based) pensions will be subject to a new maximum of 10% of the pension account balance at the start of each financial year.

Current allocated pensions will be able to convert to the new standards applicable to account based pensions from 1 July 2007 without the need to commute the pension, where permitted by the superannuation fund

New restrictions on the transfer of pensions to an adult child upon the death of the pension owner will apply where the death occurs on or after 1 July 2007. A pension can only continue to be paid to a child aged 18 but under 25 if the child is financially dependent or disabled. A child aged 25 or more can only receive a pension if disabled.

Pensions paid from a taxed source to a person aged 60 or more will be tax free from 1 July 2007 (regardless of whether they meet the new pension standards or old standards). Pension payments for individuals aged under 60 will be taxed but will be eligible for a 15 per cent offset on any taxable component. Once the pension recipient turns age 60, their pension will be tax free.

Special tax rules apply to the payment of superannuation pensions to a person other than the member from 1 July 2007. If you would like more information about these rules, contact the Fund Administrator and ask to speak with an Authorised Representative on 02 9380 4966.

The amount of tax you pay may depend on how you structure your pension arrangements. We recommend you seek advice about this from an appropriately qualified adviser, taking into account your personal circumstances.

Portability of benefits

From 1 July 2007, funds will have 30 days from the date of receiving all relevant information, to process a rollover request (except that a longer period may be allowed for illiquid investments in prescribed circumstances).

Employer termination payments

From 1 July 2007, an employer eligible termination payment can only be paid into a superannuation fund if the entitlement was specified in an existing employment contracts as at 9 May 2006 and provided the payment is made prior to 1 July 2012.

More Information

The information outlined above is based on legislation available as at 19 April 2007.

If you would like more information about these changes, contact the Fund Administrator on **02 9380 4966**

Further general information about the taxation changes are available from www.ato.gov.au/super and [go to Simpler Super](#) or by contacting the Tax Office's Superannuation Hotline on 1800 012 238.

We cannot provide you with taxation advice or financial advice that takes into account your personal circumstances.

For advice relevant to your personal circumstances, we recommend you seek appropriately qualified taxation or financial advice.

b) The Appointment of an Eligible Rollover Fund (ERF):

From 1st June 2007, your benefits may be automatically transferred to an eligible rollover fund (ERF) if one of the following circumstances arises:

- You have left employment and have not, within 90 days thereof, instructed the Trustee to pay your benefit to you or to another superannuation fund.
- You become "lost". You will be considered lost if there have been no contributions or rollovers on your behalf for at least 5 years or one piece of fund documentation or correspondence to you has been returned unclaimed.

If you become lost, the Trustee is required to advise the Australian Taxation Office (ATO) Lost Member Register. You can search the Lost Member Register by going to “Find your lost super with Super Seeker” section of the ATO’s website at www.ato.gov.au/super.

The Trustee has made an “in-principle” decision to appoint Super Safeguard Fund as its nominated ERF (Super Safeguard). Super Safeguard (ABN 13 917 747 013) is a regulated ERF in accordance with the Superannuation Industry (Supervision) Act 1993.

In the event that your benefits are transferred to the ERF, the contact details of the Fund are:

**Super Safeguard Fund Administrator
Primary Superannuation Services Pty Ltd
Level 3, 179 Queen Street
Melbourne VIC 3000**

Phone: 1300 135 181

Once your benefit is transferred to the ERF you become a member of the ERF and cease to be a member of the Grosvenor Pirie Master Superannuation Fund – Series 2. Any insurance cover applicable to you in the Grosvenor Pirie Master Superannuation Fund – Series 2 will also cease. A Termination Fee may apply to the transfer depending on the amount of your benefit (see below).

The ERF has different investments and fees and costs to the Grosvenor Pirie Master Superannuation Fund – Series 2. The ERF does not provide insurance cover. If you would like further information about the features of the ERF, contact the Super Safeguard Fund Administrator for a copy of their product disclosure statement.

c) An increase in the Termination Fee on exiting the Fund:

The Termination Fee to close your investment in the Fund is currently \$25.00 (GST not applicable) if the amount withdrawn (either in cash or by rollover/transfer to another fund) is greater than \$1,000. This is deducted from your account balance upon exiting the Fund.

From 1st September 2007, the Termination Fee for withdrawals greater than \$1,000 will be increased to \$85.00 (GST not applicable). Under the Trust Deed, the Trustee reserves the right to change the amount or level of fees and charges without member consent. When there is an increase in fees or charges, the Trustee will notify all members in advance.

Therefore, for amounts in excess of \$1,000, any transfers or rollovers to another eligible superannuation fund or benefit payments made before the 1st September 2007, will incur a Termination Fee of \$25.00 (GST not applicable); thereafter the Termination Fee will be \$85.00 (GST not applicable).

Yours faithfully



Grosvenor Pirie Management Limited as administrator of the
Grosvenor Pirie Master Superannuation Fund – Series 2