

Payment of benefits

- Making the most of your SuperLife

March 2016

Under SuperLife, when you cease to be an employee member you automatically become an individual member. As an individual member you are entitled to take a benefit out of your account at any time. You have three main payment options:

Cash payment(s)

Deferred payment(s)

A managed income

The options let you choose when and how you will receive payment of your benefit. You can take a single option, or a combination of the options as you wish. You can also change your options at any time.

Taking part of your benefit as a cash payment, to meet your immediate expenditure needs, and deferring the balance for when you need it, makes a lot of sense. In retirement, using the managed income option is a very efficient way to convert your savings into income. To help you make a decision, you should need the SuperLife guide "Thinking about your retirement."

What do most members do?

Most members choose to take an immediate lump sum. This is part of the "Kiwi way". Taking the cash is a good idea if you intend to spend it immediately, or use it to pay off debt, e.g. a mortgage.

Even if you plan on taking a lump sum and putting it in the bank, it might be better you leave it in SuperLife and move it to the Cash Fund. The Cash Fund gives you a cash return, but your money is at call.

However, in many cases a deferred payment or a managed income, or a combination of both, may be better. This is because if you withdraw your benefit as a cash payment, you have to decide how to invest it. So why not leave it in SuperLife and take what you need when you need it?

Even if you intend to spend your benefit in the next year, there may be advantages in keeping it in SuperLife until you need it, and changing your investment strategy to cash. SuperLife is a PIE vehicle, is tax efficient and your money is "at call".

Continuing your membership

As an individual member, the general administration fee is unchanged at \$2.75 a month. In addition, the standard asset fees remain payable.

While you remain a member, you can:

- Continue to make regular contributions and/or lump sum contributions, but you don't have to.
- Continue to choose and change as you wish the investment strategy that applies to your savings account balance.

The legal stuff

This is not an investment statement for the purpose of the Securities Act 1978. An investment statement is available from SuperLife free of charge.

- Choose to continue, change, or stop any insurance benefit and have your insurance premiums paid out of your savings account.
- Have money paid from your SuperLife superannuation savings Account to your SuperLife KiwiSaver Account.
- See your account details over the internet.

The options in detail

Cash payment

If you choose to take part of your savings benefit as a cash payment:

- Your benefit will be paid to you as soon as possible after you become entitled to it.
- You can continue with SuperLife, or rejoin it later, for your future savings needs.
- You can also still choose to continue your insurance benefits (if any).

To receive your benefit, you need to complete the withdrawal payment request form available on the SuperLife Web site.

Deferred payment

You can remain a member and retain your benefit in SuperLife. There is no minimum period that you have to stay a member, or minimum amount that you have to defer. Under this option:

- Your existing savings continue to be invested and you can withdraw all or part of them in the future at any time.
- You can make a withdrawal at any time by giving notice.

To choose the deferred payment option, complete the continuing SuperLife form, available on the SuperLife website.

Managed income

The managed income option is similar to the deferred payment option. The difference is that instead of withdrawing money only as required, you also withdraw money on a regular basis, e.g. \$2,000 a month. A managed income is particularly useful when you want a regular income, in retirement.

If you choose the managed income option, you can:

- Decide on the level of your regular income.
- Change the amount of the regular income at any time.
- Choose the frequency of the regular income e.g. weekly, fortnightly, monthly, etc
- Choose the day the regular income is paid.
- Take out additional amounts whenever you wish.

Under a managed income, because of the regular payment, it is often a good idea to review your investment strategy regularly. We suggest that 2 to 3 years' expected payments are held in cash. Also, as your cash level goes down, it should be occasionally topped up (e.g. once a year), by switching money in the other pools to cash. You should seek advice on what is the appropriate investment strategy for your requirements. You should also read the SuperLife guide "Thinking about your retirement" available on the Website.

The managed income is not taxable income in your hands. As with other withdrawals from superannuation schemes, the amounts you receive are tax-paid. Also, the managed income does not affect your entitlement to New Zealand Superannuation. However, for the purposes of any income test under The Social Security Act 1964 (such as the "young spouses" entitlement to New Zealand Superannuation), the managed income will probably count as income. This applies if your spouse is under age 65 and does not work. You need to seek advice on this, if it could apply in your case.

Further details are set out in the SuperLife article "Managed incomes".

To choose the managed income option complete the benefit option election form attached and also available on the SuperLife Web site.

Benefit payment request

- Managed incomes & lump sums

Use this form: To request a managed income benefit or lump sum from your SuperLife savings accounts. Send the completed form to SuperLife at PO Box 105262, Auckland City, Auckland 1143 or scan and email it to superlife@superlife.co.nz.

SL00043

Your details

SuperLife number: or IRD number: - -

Note, if you have not previously provided documents that verify your identity and your address to SuperLife Limited, under the anti-money laundering legislation, you will need to provide them before a payment can be made (see attached leaflet).

Name:	Date of birth: / / (dd/mm/ccyy)
Email:	Phone: ()
Home address:	Post code:

Benefit payments

Complete A, B and C as appropriate. You can choose to take any combination of them.

If you complete any or all of the 3 sections A, B and C, then all the payments requested will be paid provided you have sufficient funds to make the payments. The order of payments will be C first, then B, then A.

A. Regular income payments

Complete this section if you want to receive a regular managed income payment.

- I want to receive a regular managed income amount of (enter dollar amount) \$ _____
- I want the amount of the managed income to be paid each (tick one)

<input type="checkbox"/> week	<input type="checkbox"/> fortnight	<input type="checkbox"/> month	<input type="checkbox"/> quarter	<input type="checkbox"/> 6 months	<input type="checkbox"/> year
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- I want the regular managed income to start on ____ / ____ / ____ (dd/mm/ccyy)
 (this is the date the payment will appear in your bank account)

B. Variable lump sum payments

Complete this section if you want to receive a series of lump sum payments. Show both the amount required and the date to be paid. This can be as well as, or as an alternative to, the regular income.

	Amount		Date
I want to receive the amounts as shown	\$	on	/ /
	\$	on	/ /
	\$	on	/ /
	\$	on	/ /
	\$	on	/ /

C. Lump sum payment

Complete this section if you want to take out a lump sum.

I wish to withdraw (tick one): \$ _____ or my total account balance

In accordance with the standard SuperLife rules, payment will be made as soon as practical.

Address and identity verification

If your current address and identity have not been verified (see attached pamphlet), these will need to be completed before a payment may be made.

Bank account

My benefit payments should be paid to my bank account. Please enclose a bank deposit slip or other evidence of the bank account details.

Bank	Branch																												
Name																													
Number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="width: 10px; text-align: center;">-</td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="width: 10px; text-align: center;">-</td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="width: 10px; text-align: center;">-</td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> </tr> <tr> <td style="text-align: center;">Bank</td> <td></td> <td></td> <td style="text-align: center;">Branch</td> <td></td> <td></td> <td></td> <td style="text-align: center;">Account number</td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Suffix</td> <td></td> </tr> </table>			-				-					-			Bank			Branch				Account number					Suffix	
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Payment from Funds

Each payment should be deducted from my current investment Funds (tick one).

- From each Fund in proportion to my overall Fund balances.
- or
- Based on the SuperLife default option for payments.
- or
- From the Funds as indicated below (complete the dollar amount or the relative percentages). You can change your decision at any time.

or

Managed Funds		\$	%
	SuperLife ^{Income}	\$	%
	SuperLife ³⁰	\$	%
	SuperLife ⁶⁰	\$	%
	SuperLife ⁸⁰	\$	%
	SuperLife ¹⁰⁰	\$	%
	Ethica	\$	%
Sector Funds		\$	%
	Cash	\$	%
	NZ bonds	\$	%
	OS bonds	\$	%
	OS Non-govt bonds	\$	%
	Property	\$	%
	NZ shares	\$	%
	Australian shares	\$	%
	OS shares currency hedged	\$	%
	OS shares (unhedged)	\$	%
	Emerging markets	\$	%
	UK Cash	\$	%
	UK Income	\$	%
	UK Shares/Property	\$	%
ETF Funds		\$	%
	NZ Cash ETF	\$	%
	NZ Bond ETF	\$	%
	Global Bond ETF	\$	%
	NZ Dividend ETF	\$	%
	NZ 50 Portfolio ETF	\$	%
	NZ Top 10 ETF	\$	%
	NZ MidCap ETF	\$	%
	NZ Property ETF	\$	%
	Aust Top 20 Leaders ETF	\$	%
	Aust Dividend ETF	\$	%
	Aust Financials ETF	\$	%

Unless you indicate which of the Funds the money should come from, it will be taken from the Funds generally in the order of cash, bonds, property and shares. This will mean that your share assets are realised last and if you have not withdrawn all of your balance, you may have an overweight exposure to shares.

If you wish to change your investment strategy, complete a change investment strategy form or, if you are a registered SuperLife Internet user, you can change it online.

Aust Property ETF	\$ <input type="text"/>	<input type="text"/> %
Aust Resources ETF	\$ <input type="text"/>	<input type="text"/> %
Aust MidCap ETF	\$ <input type="text"/>	<input type="text"/> %
Total World ETF	\$ <input type="text"/>	<input type="text"/> %
US S&P 500 ETF	\$ <input type="text"/>	<input type="text"/> %
Europe ETF	\$ <input type="text"/>	<input type="text"/> %
Asia Pacific ETF	\$ <input type="text"/>	<input type="text"/> %
US Growth ETF	\$ <input type="text"/>	<input type="text"/> %
US Value ETF	\$ <input type="text"/>	<input type="text"/> %
US MidCap ETF	\$ <input type="text"/>	<input type="text"/> %
US Small ETF	\$ <input type="text"/>	<input type="text"/> %
Emerging Markets ETF	\$ <input type="text"/>	<input type="text"/> %
Total	\$ <input type="text"/>	<input type="text"/> 100%

I understand that, if there is insufficient money in the Funds I have indicated, the additional amount will be deducted from the money available in each Fund in turn, in the order of the list above. This is also the SuperLife default option for payments.

Your signature: _____

Date: / / (dd/mm/ccyy)