



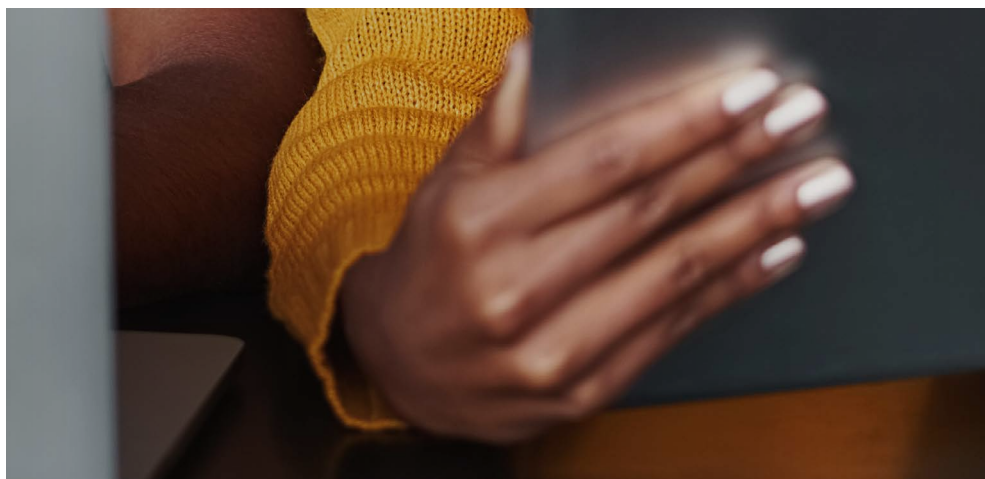
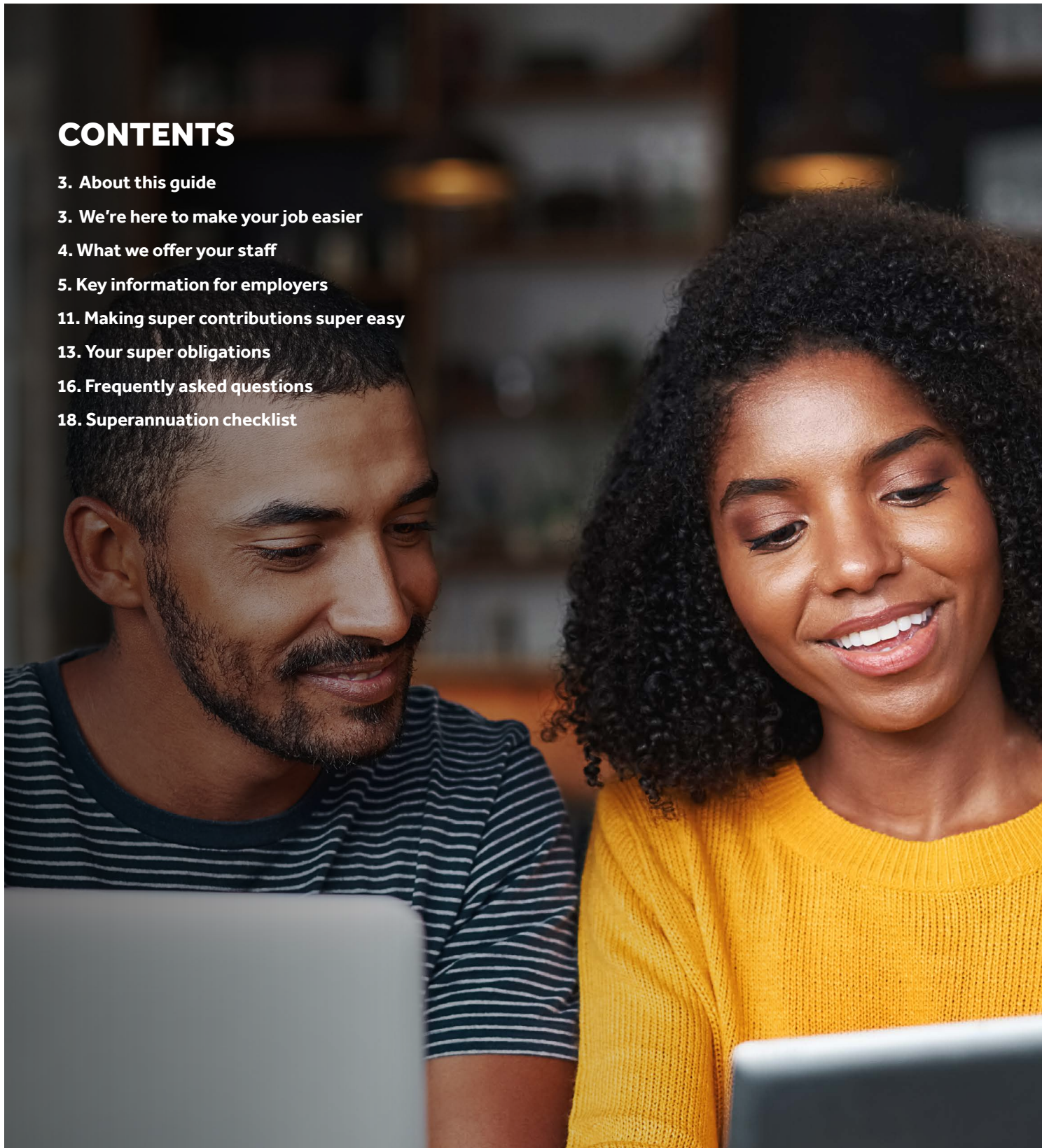
SALARYLINK EMPLOYER GUIDE



All information provided is current as at July 2024

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ABOUT THIS GUIDE

On April 29 2022, Statewide Super and Hostplus merged to create greater scale and cost efficiencies and better member choices, services and outcomes.

This Salarylink Employer guide outlines:

- how Hostplus can help you as your superannuation partner
- what you need to know about the Salarylink defined benefit super account.

Additional resources

For more information regarding the merger and Salarylink product information visit the Statewide Super and Hostplus merger hub at hostplus.com.au/statewide. The merger hub includes:

- information surrounding the merger
- FAQs
- Statewide Super Legacy Product Guide
- Salarylink Member and Employer fact sheets and forms.

WE'RE HERE TO MAKE YOUR JOB EASIER

We're always here to help

At Hostplus, we make it easier for you to manage your employees' super.

Our team is here to meet your needs and provide professional and personal assistance.

We offer the same support to our members, so you can rest assured your employees are being well taken care of.

Hostplus QuickSuper

We can help you set up Hostplus QuickSuper to manage your SuperStream obligations. Our dedicated team is on hand to answer any payroll questions that come up.

Communicating every step of the way

Good communication is the key to a successful relationship. It's a priority for us to keep you updated on the latest information about upcoming legislative changes that may affect you and your employees.

Complimentary training for payroll staff

To help your staff stay up to date, we hold free training seminars around Adelaide and in regional areas.

These sessions also provide an opportunity for your staff to network with others working in similar roles.



WHAT WE OFFER YOUR STAFF

At Hostplus, our mission is simple: To put more money into our members' pockets so they can have a dignified retirement. We're an industry super fund that works tirelessly to keep fees low and long-term performance strong, to provide our members with the financial future they deserve.

Competitive fees

We keep our fees as low as possible because we know that every dollar our members save, goes a long way.

A range of investment options

We're always actively working towards growing our members' super. We offer a wide range of investment options so our members can mix and match their investments to suit their risk appetite, retirement goals and investment time frame.

Insurance offerings

Right now, your employees' most valuable assets are their health, family and their income-earning potential. Protecting them against the unexpected should be an important part of their strategy. That's why at Hostplus we offer eligible members automatic insurance with an option to tailor their cover.

Hostplus members can control the level of insurance they have and how the cost of insurance is calculated. The range of insurance options on offer include:

Salarylink insurance¹:

- death and total and permanent disablement (TPD)
- terminal illness
- income protection

Additional Hostplus insurance²:

- death and total and permanent disablement (TPD)
- death only (includes terminal illness)
- income protection.

1. Hostplus insurance cover is provided by MetLife Insurance Limited (MetLife) ABN 75 004 274 882, AFSL 238096 (insurer).

2. Available through Hostplus members' accumulation balance.

Education sessions

We want your employees to feel comfortable in our hands to ensure they fully understand their super benefits. At Hostplus, we offer a range of complimentary education sessions tailored specifically for your staff.

To organise a workplace or webinar session contact your Account Coordinator.

Flexible pension products

A Hostplus Pension account allows members to draw a steady income from their super, so they can retire with confidence.

If members are looking to scale back their work hours but don't want to reduce their income, they could invest their super in a transition to retirement (TTR) account. A TTR account allows members to draw a regular income while they're still working, allowing them to ease into retirement (conditions apply).

Retirement planning sessions

We're here to help your employees achieve their retirement goals. We host regular complimentary planning sessions that provide information on investment options, retirement options, Centrelink and taxation to assist with a seamless transition into retirement.

To organise a workplace or webinar session contact your Account Coordinator.

Financial advice

Financial advice can help you now, and into the future. We offer a range of options to ensure you get the right level of advice to suit your changing needs:

- Face to face or over the phone, personalised superannuation advice³; and
- you can also meet with a qualified Financial Planner for specialist retirement planning³.

For more information visit [hostplus.com.au/financial-planning](https://www.hostplus.com.au/financial-planning)

3. Hostplus has engaged Industry Fund Services Limited (IFS) ABN 54 007 016 195, AFSL 232514 to facilitate the provision of personal financial advice to members of Hostplus. Advice is provided by Hostplus financial planners who are Authorised Representatives of IFS. Fees may apply for personal financial advice; for further information about the cost of financial advice, you can speak with your Hostplus financial planner or visit our website www.hostplus.com.au. Information to help you decide whether you want to use personal financial advice services being offered is set out in the relevant IFS Financial Services Guide, a copy of which is available from your Hostplus financial planner.

KEY INFORMATION FOR EMPLOYERS

Salarylink – Key facts

i Salarylink closed to new members on 25 November 2009.

Salarylink is defined benefit super, which means the benefit payable is generally based on a formula determined by:

- the member's contribution rate
- the number of years and complete days the member made Salarylink contributions, and
- the member's final average salary.

The minimum Salarylink personal contribution rate is 1% and the maximum is 10%. Contributions must be in whole percentages and can be salary sacrificed (before tax) or voluntary (after tax).

Where a member allocates part or all of their personal contributions to Salarylink, they are a Salarylink member. They will also have a Hostplus accumulation account as part of their membership. There's no restriction to how Salarylink members elect to split their personal contributions between Salarylink and their Hostplus account, provided their contribution rate is in whole percentages.

If a member was making Salarylink contributions of 2.5% before 1 April 2001, they can continue at that rate until they cease or vary their Salarylink contribution rate. Once the member changes their rate from 2.5%, they cannot go back to 2.5% and will have to nominate a contribution rate in whole percentages between 1% and 10%.

A member's Salarylink benefit will be transferred to their Hostplus accumulation account when they cease employment, reach age 65 or when the member moves from permanent to casual employment (whichever occurs first).

Employer-authorized officers

To protect the rights of employers, the fund and our members, we liaise only with employer-appointed authorised officers.

This helps prevent unauthorised persons from gaining access to confidential member information.

There must be a minimum of two employer-appointed authorised officers from each participating employer⁴. As some forms will need salary information to be verified, we suggest that one authorised officer be the person who normally manages employee salaries and wages.

Most forms require one authorised officer's signature, except the 'Advice of cessation of employment' form which requires two signatures. If a form is received and we do not recognise the signature(s) or have an up-to-date 'Authorised officer's declaration' for the signatory, we're required to return the form. A new declaration will replace any previous declaration.

To obtain an 'Authorised officer's declaration' form please visit hostplus.com.au/statewide. The form needs to be signed by the executive officer or the most senior person at the participating employer. An authorised officer can't sign the declaration of their own form.

4. See definition of participating employer on page 12.

Employer contributions

The amount employers contribute to Salarylink benefits is dependent on the advice of the fund's actuary.

This rate is currently 6.3%⁵ of a member's superannuation salary⁶. As an employer, you must also contribute to the member's Hostplus account and notify us of the member's Ordinary Time Earnings (OTE)⁹ salary for the contribution period. This will ensure that we allocate sufficient contributions to the member's Hostplus account so your employer superannuation guarantee (SG) obligation is met. The employer contribution rate to the member's Hostplus account is the higher of:

- 3% of OTE and
- 3% of superannuation salary.

Refer to 'Salarylink contribution calculations' on page 6 for some examples.

5. We'll let you know if this rate changes in the future.

6. Refer to page 7 for the definition of superannuation salary

Superannuation salary for Salarylink benefits

The term 'salary' in relation to a Salarylink member and the calculation of Salarylink benefits means the member's regular wages or salary. This includes any allowances paid as a regular and continuing part of the member's wages or salary, and excludes commissions, sums paid for overtime or other special services, bonuses and allowances of a non-permanent nature⁷.

Full-time equivalent superannuation salary is used in all cases (including for part-time employees whose superannuation salary is proportioned accordingly).

Refer to page 18 for the 'Superannuation Checklist' which identifies when payments are considered as superannuation salary for Salarylink purposes.

7. Provided that such allowances as may be prescribed by the trustee to be included as part of the salary shall be included and such allowances as may be prescribed by the trustee to be excluded from the salary shall be excluded.

Ordinary time earnings (OTE)⁹

OTE is generally what your employees earn for their 'ordinary hours of work'.

Refer to page 18 for the 'Superannuation Checklist' which identifies when payments are included in OTE.

Late payments of contributions

The Hostplus Trust Deed (which includes the Salarylink rules) requires that all contributions are remitted within 28 days of the end of the month for which they're due. If you're unable to pay contributions within the required time frame, contact your account coordinator to discuss your options.

If you don't pay contributions within the 28-day time frame, the Trustee may impose penalty interest on the outstanding contributions at the rate of 24% per annum (calculated on a daily basis).

Employee contributions

Members can grow their super by making personal contributions. Personal contributions can be made through salary sacrifice (before-tax) contributions or voluntary (after-tax) contributions.

The tables below show examples of Salarylink contribution calculations.

For members who work part-time, the part-time annual salary is used to calculate the contribution amount payable.

Voluntary (after-tax) contributions

This is a contribution based on the member's gross salary/wage and deducted from their after-tax income.

Income tax at the member's marginal rate is applied to the gross salary/wage. Tax is not payable on this type of contribution when it's made into super, as tax is deducted from the member's income before the super contribution is made.

EXAMPLE 1: Member making after-tax contributions

Superannuation salary	\$40,000 p.a.
OTE ¹⁰	\$45,000 p.a.
Employer contribution – Salarylink	6.3% of superannuation salary 6.3% x \$40,000 = \$2,520
Employer contribution – Hostplus accumulation account	3% of OTE 3% x \$45,000 = \$1,350
Member after-tax contribution – Salarylink	5% of superannuation salary 5% x \$40,000 = \$2,000
Total employer contribution	\$3,870
Total member contribution	\$2,000

Salary sacrifice (before-tax) contributions

This is a contribution based on, and deducted from, the member's gross salary/wage before income tax at their marginal rate is applied.

The contribution reduces a member's gross taxable income. The sacrificed income is taxed at 15% when it's paid into a member's superannuation account/s.

For Salarylink contributions, the contribution amounts received and allocated to a member's accounts must reflect the actual contribution rate nominated by the member. For this reason, all salary sacrifice contributions must be increased or 'grossed up' to account for the 15% contributions tax deducted on receipt by Hostplus.

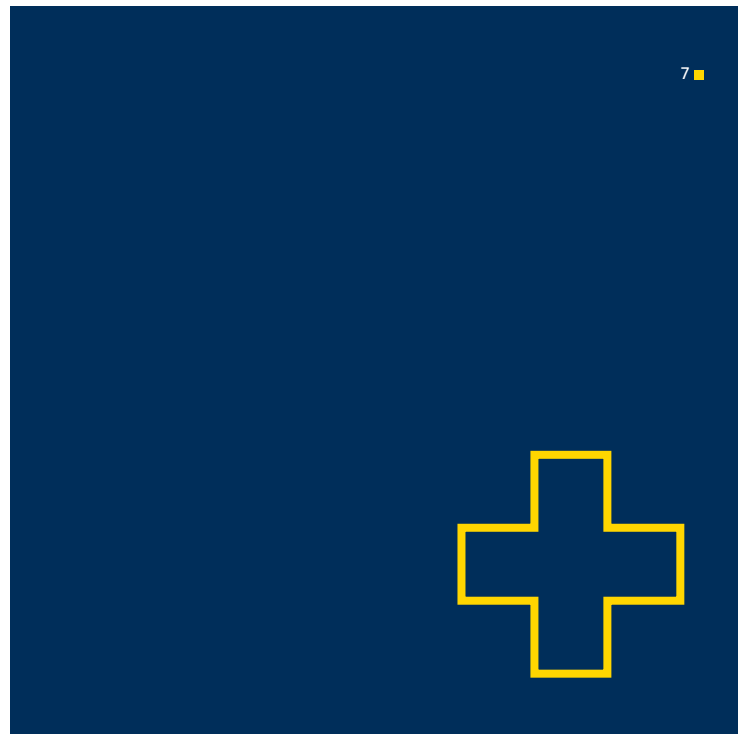
This is extremely important for Salarylink funding purposes. If the calculation is not performed correctly by payroll, considerable and time-consuming adjustments to member benefits may be required.

EXAMPLE 2: Member making salary sacrifice contributions

Superannuation salary	\$40,000 p.a.
OTE ⁸	\$45,000 p.a.
Employer contribution – Salarylink	6.3% of superannuation salary 6.3% x \$40,000 = \$2,520
Employer contribution – Hostplus accumulation account	3% of OTE 3% x \$45,000 = \$1,350
Member salary sacrifice contribution – Salarylink ⁹	5% of superannuation salary 5% x \$40,000 x 100/85 = \$2,353
Total employer contribution	\$3,870
Total member contribution	\$2,353

8. Refer to the 'Superannuation Checklist' on page 18 which shows when OTE is different to superannuation salary (for example, higher duties is included in OTE but not in superannuation salary. See 'Frequently asked questions' on page 16).

9. This is the total salary sacrifice contributed by the member which is taxed at 15% when paid into superannuation. The tax of \$353 is deducted and the amount remaining as the contribution is \$2,000. This equals the nominated contribution rate of 5%.



Regular contributions submissions – SAFF file specifications

To correctly calculate each Salarylink member's benefits, specific data needs to be included in your regular contribution submission, or SuperStream Alternative File Format (SAFF). This includes confirmation of the member's Ordinary Time Earnings over the payroll period, as well as other supporting data.

Ordinary time earnings (OTE) and superannuation salary – Salarylink (Defined benefit)

The calculation of the 6.3% defined benefit employer contribution amounts is based on the superannuation salary, not OTE. The use of superannuation salary is unique to the Hostplus defined benefit product.

However, employer contributions to a member's Hostplus accumulation account is based on 3% of OTE.

Hostplus product names and SAFF terminology

Salarylink = Defined benefits contributions currently set at 6.3% of super salary

Hostplus Accumulation account = Super Fund Member Contributions (Accumulation) currently set at 3% of OTE

The 'Superannuation Checklist' on page 18 identifies which payments are considered salary or wages and whether they're considered part of OTE or superannuation salary for Salarylink (defined benefit) purposes. For further information in relation to OTE contact the Australian Taxation Office (ATO).

To be able to determine the correct benefits for Salarylink members, we require the following fields to be populated in the SAFF:

Superannuation salary	The member's regular wages or salary including any allowances paid as a regular and continuing part of the member's wages or salary but excluding commission, sums paid for overtime or other special services, bonuses and allowances of a non-permanent nature (provided that such allowances as may be prescribed by the trustee to be included as part of salary shall be included and such allowances as may be prescribed by the trustee to be excluded from salary shall be excluded).	SAFF column DE (Defined benefit Annual Salary 1)
Ordinary Time Earnings (OTE) (Period)	OTE is usually the amount your employee earns for their ordinary hours of work. It includes things like commissions, shift loadings, higher duties and allowances, but not overtime payments. OTE is used for calculating Superannuation Guarantee (SG) contributions.	SAFF column CL (Ordinary Time Earnings)
Service fraction	The fraction of full-time equivalent that the employee works. For example: <ul style="list-style-type: none"> • Full-time (100%) = 1.0 • Part-time (60%) = 0.6 	

Defined benefits SAFF

Only the defined benefit fields below are to be included in the SAFF for a participating defined benefit member. Any other defined benefit fields as detailed in the QuickSuper SAFF specification do not need to be completed. If you need a copy of the QuickSuper SAFF specification, please call us on **1300 467 875**.

Column	Field heading	Format	Calculation	Verification
CF	Defined benefit member pre-tax contribution	Numeric 2 decimal places	Percent of pre-tax defined benefit contribution x superannuation salary $\frac{(\text{Pre-tax contribution rate \%} \times \text{super salary} \times \text{service fraction} / 0.85)}{365} \times \text{days in pay period}$	If no contribution for the period, enter 0
CG	Defined benefit member post-tax contribution	Numeric 2 decimal places	Percent of post-tax defined benefit contribution x superannuation salary	If no contribution for the period, enter 0
CH	Defined benefit employer contribution	Numeric 2 decimal places	6.3% of superannuation salary $\frac{6.3\% \times \text{super salary} \times \text{service fraction}}{365} \times \text{days in pay period}$	The total employer contributions (DB and accumulation) should be 9.3%, of which 6.3% (DB component) is based on super salary and 3% (accumulation component) is based on OTE. The accumulation figure should be included in Accumulation Superannuation field (BH).
CL	Ordinary time earnings	Numeric 2 decimal places	Actual amount of OTE for the period	
CV	Service fraction	Numeric between 0 and 1. 2 decimal places	See section above for definition of service fraction	
CW	Service fraction start date	Date	Effective date of the latest change in service fraction (even if no change since last report)	Format to be determined by the employer, but format must be the same for all date fields within the file. Not American date format.
DE	Defined benefit annual salary 1	Dollar	Calculated as the super salary (see section above for definition)	
DF	Defined benefit annual salary 1 start date	Date	Date the defined benefit annual salary 1 was effective	
DT	Leave without pay code	Numeric either 3 or 6	3 = Maternity/paternity leave (unpaid) 6 = Miscellaneous leave without pay (unpaid) Note: We do not need advice of other types of leave such as sick/carers leave or paid leave.	Blank if N/A
DU	Leave without pay code start date	Date		Only required if employee is on leave without pay and DT field is completed
DV	Leave without pay code end date	Date		Only required if employee is on leave without pay and DT field is completed

i Salary sacrifice contribution arrangements must be documented in writing as an agreement between the employer and employee. The salary sacrifice agreement must be in place before the employee earns any income they want to sacrifice. The 'Contributions rate change' form satisfies this requirement.

The arrangements must take effect before the income is earned to be considered an effective arrangement by the Australian Taxation Office (ATO). Ineffective arrangements will be treated as assessable income by the ATO and taxed accordingly.

Contribution rate changes

Salarylink members can change their contribution arrangements at any time by completing a 'Contribution rate change' form available at hostplus.com.au/statewide

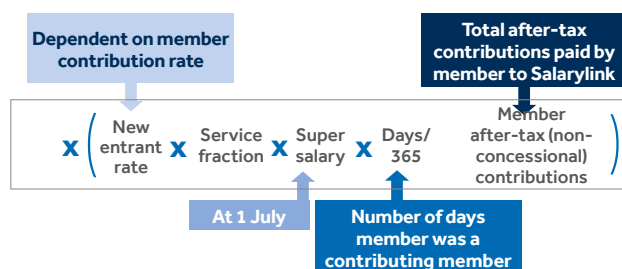
Members can use this form to increase, decrease or stop making contributions through payroll. This form is also used to change the allocation of contributions between the member's Salarylink and Hostplus accounts.

The form must be processed through payroll and forwarded to us. The new contribution rates should take effect from the first date of the next pay period following receipt of the form.

Contribution caps (limits)

There are limits, or caps, on contributions that can be made before a member pays extra contributions tax. The different limits depend on the type of superannuation contribution made. For further information visit hostplus.com.au/statewide

For contributing Salarylink members, notional taxed contributions also form part of the contribution caps. Notional taxed contributions (NTC) are formula-based and not based on the actual contributions paid. Notional Taxed Contributions are calculated using a formula as required by legislation rather than employer Salarylink contributions being allocated to individual members. The Annual NTC Value is calculated as follows:



In addition to the NTC's, the following contributions are also included in your concessional cap:

- employer contributions
- salary sacrifice
- personal contributions for which you claim a tax deduction

Backdated pay

Where a salary increase is backdated, all contributions (employer and personal) must be calculated based on the back pay as the Salarylink calculations will be based on the new salary. This also applies to salary sacrifice contributions if the salary sacrifice arrangement was already in place.

Leave without pay

When a member is on leave without pay (LWOP) for more than 2 weeks we require an 'Advice of leave without pay' form to be completed and forwarded to us. You can access this form at hostplus.com.au/statewide

Please note that employees who have been stood down from duties for a period of time aren't considered to be on LWOP and need to be treated differently. If you have any employees who have been stood down, please contact us on **1300 467 875** to discuss these circumstances.

It's important that we receive confirmation of why an employee is on LWOP so that we can correctly calculate their benefits in accordance with the Fund rules.

As stipulated in the Fund's Trust Deed there are different reasons that members go on Leave without pay (LWOP) which determine how Salarylink contributions are treated and how Salarylink benefits accrue. See page 10 for an outline of how different LWOP reasons affect treatments and benefits.

Insurance while the member is on LWOP

Generally, any Death, TPD cover (including Terminal Illness) and Income Protection insurance will continue during LWOP.

When the member returns from LWOP

When the member returns from leave without pay, it's important to let us know so we can adjust their record accordingly. In addition, please advise of any changes to their work hours and salary, including applicable effective dates.

Member leave without pay reason	Salarylink contribution and benefit status
<p>The member is in receipt of:</p> <ul style="list-style-type: none"> Salarylink Income Protection (IP) Local Government Income Protection Fund (LGIPF), or on LWOP on other grounds of other illness or injury (including unpaid sick leave). 	<ul style="list-style-type: none"> No contributions need to be paid by either the employer or member.¹⁰ Benefit continues to accrue based on salary and contribution rate immediately before commencing leave. If the member then returns to work under a gradual return-to-work agreement, contributions aren't required by either the employer or member until they return to their previous capacity or there's a genuine change in service fraction. Any employer or member contributions received into the member's Salarylink account during this period will be moved to their Hostplus accumulation account.
<p>On LWOP (not due to illness or injury) but the member and employer both agree to continue paying contributions</p>	<ul style="list-style-type: none"> Contributions continue and the benefit continues to accrue based on salary and contribution rate immediately before commencing leave.
<p>On LWOP (not due to illness or injury) and there's no agreement between member and employer to continue paying contributions</p>	<ul style="list-style-type: none"> No contributions are paid and the benefit does not accrue while on LWOP.¹⁰ The employer should note any period of paid leave and the applicable service percentage within the period to assure that the member's benefit is adjusted accordingly.
<p>The member is in receipt of workers compensation or a Council Sickness and Accident Insurance Policy (not LGIPF) and those payments represent at least 80% of the member's super salary¹¹</p>	<ul style="list-style-type: none"> The employer and the member must contribute based on the super salary and contribution rate immediately before the member commencing leave. The member's Salarylink benefit continues to accrue based on the contribution rate immediately before commencing absence from active work.
<p>The member is in receipt of workers compensation or a Council Sickness and Accident Insurance Policy (not LGIPF) and those payments represent less than 80% of the member's super salary¹¹</p>	<ul style="list-style-type: none"> No contributions need to be paid by either the employer or member.¹⁰ Benefit continues to accrue based the contribution rate immediately before commencing leave. If the member then returns to work under a gradual return-to-work agreement, contributions aren't required by either the employer or member until they return to their previous capacity or there's a genuine change in service fraction. Any employer or member contributions received into the member's Salarylink account during this period will be moved to their Hostplus accumulation account.
<p>On parental leave (paid or unpaid)</p>	<ul style="list-style-type: none"> If the member is on paid parental leave, we need to know if the leave is being paid at half-pay or another fraction of their pre-parental leave pay (e.g. 50%). We also need to know the change to their service fraction. Member and employer contributions will continue. If the member is on unpaid parental leave, no contributions are paid¹⁰ and the benefit does not accrue until they return from unpaid leave. For each change in parental leave (paid or unpaid) we'll need to be advised of the start date and end date.

10. Subject to any other employer obligations, such as in an enterprise agreement or employment contract.

11. Payments from the Local Government Income Protection Fund are excluded.

MAKING SUPER CONTRIBUTIONS SUPER EASY

Hostplus QuickSuper¹² is an easy, time-efficient way to make super contributions while also ensuring compliance. The benefits of using Hostplus QuickSuper:

- it costs you nothing
- pay for multiple businesses, to multiple super funds
- no more paperwork
- add self-managed super funds
- speedy processing
- track the transactions
- download reports
- easy payment options
- upload files and make changes.

For more information, visit hostplus.com.au/business/register-for-quicksuper for a range of FAQs and a step-by-step guide.

12. QuickSuper is issued by Westpac Banking Corporation (ABN 33 007 457 141, AFSL 233714). An offer to issue this product may be made to you by Westpac, subject to completion of the application process. The Product Disclosure Statement (PDS) for QuickSuper is available on the Westpac website. You should consider the PDS before deciding to accept any offer made by Westpac to issue the product.

Salarylink member terminations

An 'Advice of cessation of employment' form must be completed when a Salarylink member terminates or ceases employment. You can access this form at hostplus.com.au/statewide. The following details are required:

- the reason for ceasing employment – this must be correctly identified as this determines which type of benefit is payable to the member
- outstanding contribution details (final contribution must be received prior to a benefit being paid), and
- the member's superannuation salary for the three years before the date of ceasing employment.

The completed form must be signed by two employer-appointed authorised officers and sent to Hostplus.

The member will be issued details of their benefit and options and will be asked (if applicable) to provide their payment instructions.

Transferring between employers

Advice of transfer to another participating employer¹³

If a member stops working for one participating employer and commences work with another Salarylink-participating employer within 4 weeks (or any longer period approved by the Trustee), the member will have the option to either continue their Salarylink membership or cease their Salarylink membership and access their benefit (if applicable).

If the member wants to continue their Salarylink membership without accessing any available benefit, they'll need to complete a 'Membership transfer' form. You can access this form at hostplus.com.au/statewide. The form must be returned to the new participating Salarylink employer's payroll officer within 2 months of the member ceasing work with the previous employer (or any longer period approved by the Trustee). The new employer will then forward the form to us.

An 'Advice of cessation of employment' form will also be required from the member's employer. Please indicate the reason for the member leaving as transferring to another participating Salarylink employer.

If the member chooses to apply to transfer membership, the new participating employer must:

- complete the last section of the 'Membership transfer' form after the member has completed their sections
- start paying employer contributions immediately, and
- if appropriate, deduct and remit personal (member voluntary or salary sacrifice) contributions.



Failure to meet the time frames will result in the member's Salarylink membership closing permanently.

Potential employer liabilities

- All Salarylink-related member benefits (apart from any deferred component) will be invested in the Cash option after the date their employment ceased.
- Any delay in providing the relevant 'Advice of cessation of employment' form, or final contribution, will delay the payment of a member's Salarylink benefit and may result in a loss of benefit to the member.
- Members will be advised that their relevant Salarylink benefits will be invested in the Cash option until they provide instruction to Hostplus of where to invest their benefit. Any benefit quote they receive at the date their employment ceased will not be the value of the final benefit paid.
- Any delay in receiving the 'Advice of cessation of employment' form including salary data, or in the member providing their payment instructions, may result in a loss of investment return to the member.
- Employers who don't provide member information and contributions in the time frame specified in the Trust Deed could expose themselves to the possibility of legal action being brought by a member who, because of unreasonable delay in processing their payment, receives a benefit that's less than it otherwise may have been.
- The Trust Deed requires all contributions be remitted within 28 days of the end of the month for which they're due. To avoid a delay in payment of a member's benefit, you can forward the member's final contributions with the 'Advice of cessation of employment' form instead of leaving making the final contributions until the normal monthly (or fortnightly) payment.

13. See definition of participating employer on page 12.

Turning 65 and still working

Salarylink is available until the member turns 65 or ceases employment.

At age 65, the member's Salarylink benefit is calculated, transferred to their Hostplus accumulation account and invested in the Cash option. The member can switch investment options online at any time.

A month before the member turns 65, we'll contact you to request the member's superannuation salaries for the previous three years. We'll need this information promptly so that we can correctly calculate the member's benefit and let the member know their options.

Under the previous work test, people aged 67-74 must have worked at least 40 hours over 30 consecutive days during a financial year before either concessional or non-concessional contributions can be made. From 1 July 2022, those approaching retirement will be able to make voluntary super contributions (salary sacrifice or after-tax contributions) without having to meet the work test.

If the member's total superannuation balance was equal to or greater than \$1.9 million at the end of the previous financial year, any non-concessional contributions they make during the current financial year will be considered excess non-concessional contributions and subject to higher tax.

Members who meet the work test may continue to make voluntary (after-tax) contributions and salary sacrifice (before-tax) contributions until they're 74. We cannot accept personal contributions from age 75.

Once the member turns 65:

- all contributions made by the employer and member will be allocated to their Hostplus accumulation account
- Salarylink insurance will cease and the member will be allocated automatic age based death and TPD and \$2,000pm of Hostplus IP insurance with a waiting period of 60 days and a maximum benefit period of 2 years. Premiums will apply and will be deducted from their Hostplus account.

Moving to casual employment

If a member moves from permanent to casual employment, their Salarylink benefit will be calculated as if they ceased working on the day they moved to casual employment and will be transferred to their Hostplus accumulation account and invested in the Cash option. The member can switch investment options online at any time. We'll need an 'Advice of cessation of employment' form detailing the date the member changed to casual employment to finalise this calculation.

We'll need this information promptly so that we can correctly calculate the member's benefit and let the member know their options.

All future contributions from both the employer and member will be allocated to the member's Hostplus accumulation account.

Definitions

Annual review salary

The annual superannuation salary as at 31 March each year. This salary figure is used for benefit illustration purposes including annual statements.

Final average salary (FAS)

The average of superannuation salaries earned in the last three years to the date the member ceased employment or turned 65. The figure is typically used to calculate the retirement benefit of a Salarylink member whose benefit is defined as a percentage of FAS in his/her last three years (e.g. 300% x FAS).

Final salary

The member's superannuation salary at the date they ceased employment with a participating employer.

Salarylink notional taxed contribution

A 'notional taxed contribution' is a calculation of concessional contributions in relation to a defined benefit interest.

As employer contributions into Salarylink aren't linked to individual fund members, the concessional contribution amount for a particular member cannot be calculated on actual contributions made. Instead, this is based on a member's 'notional taxed contribution', which represents the employer cost of providing the Salarylink benefits based on assumptions set down by the government.

Participating employer

A reference in this guide to a 'participating employer' is an employer who participates in Salarylink.

Part-time salary

Full-time equivalent superannuation salary is used for the purpose of calculating Salarylink benefits. Any period of part-time employment is allowed for by considering the part-time percentage and reducing the benefit percentage for that period of Salarylink membership.¹⁴

14. All benefits are based on equivalent full-time salary with the benefit percentage scaled in line with the part-time percentage.

YOUR SUPER OBLIGATIONS

What are Superannuation Guarantee (SG) contributions?

For employees that aren't Salarylink members, SG law requires employers to pay a percentage (currently 11.5%.) of each employee's OTE into super. To calculate how much you need to contribute into super for each employee, simply multiply their OTE for the payment period by 11.5%

For employees who are Salarylink members the amount employers contribute to Salarylink benefits is dependent on the advice of the fund's actuary.

This rate is currently 6.3%¹⁵ of a member's superannuation salary. For more details on contribution rates for Salarylink members see page 6.

In addition, employers are required to pay accumulation contributions equal to 3% of ordinary time earnings (OTE) for contributing Salarylink members to the member's Hostplus account.

15. We'll let you know if this rate changes in the future.

Who receives SG contributions?

Generally, you have to pay SG contributions for any employee who is:

- aged 18 and over, or
- aged under 18 and works at least 30 hours per week.

It doesn't matter whether your employee is full-time, part-time or casual. For more information contact the ATO on 13 10 20 or visit ato.gov.au.

Maximum quarterly earnings base

There's a maximum quarterly base for SG purposes. For the current limit visit the ato.gov.au. If applicable, award or enterprise agreement contributions are still required on earnings above this level.

Choice of fund

Some employees may be able to choose which super fund they'd like to have their SG contributions allocated to.

An employee will be eligible for choice of fund if they're not contributing to Salarylink and are:

- employed under a federal award
- employed under a former state award, now known as a 'notional agreement preserving state award' (NAPSA)
- employed under an award or industrial agreement that does not require super contributions, or
- employed under any state award or industrial agreement that allows choice of fund (including contractors who are regarded as eligible employees for superannuation purposes).

If the employee is a contributing Salarylink member, employers will be able to meet their choice of fund obligations by paying contributions to Hostplus in accordance with the Salarylink Rules and Trust Deed.

Choice of fund is not available to employees who are currently contributing to Salarylink as detailed in Section 32F (3) of the Superannuation Guarantee (Administration) Act 1992.

The Standard Choice form

You must provide a 'Standard Choice' form (including a completed section B) to every employee:

- within 28 days of their start date
- when an existing eligible employee asks you for the Standard Choice form
- if you can no longer contribute to an employee's nominated super fund or it's no longer a complying fund
- if you change your employer-nominated super fund and need to advise employees affected by this change.

Salarylink data review

In March each year, we'll request information from you concerning your Salarylink employees so that we can review and update their Salarylink information.

This updated information ensures that we have correct data in our system to calculate employee benefits accurately and to ensure members are issued with up-to-date benefits on their annual statements.

The information we need includes each Salarylink employees' superannuation salary, which is one of the most critical pieces of information. It's important to understand what's included as part of superannuation salary and what isn't, especially as it differs from OTE.

Superannuation salary for Salarylink employees:

Includes	Doesn't include
<ul style="list-style-type: none"> • the member's regular wages or salary • regular and continuing allowances 	<ul style="list-style-type: none"> • higher duties • additional hours • leave cashed-out while employed • bonuses (performance, Christmas, overtime, ex gratia) • annual leave loading • termination payments (in lieu of notice or 'golden handshake')

More information is provided in the 'Superannuation Checklist' on page 18.



Salary variations

When a member's salary changes in either of the following ways, we'll need to verify with you that the salary change was genuine and of a permanent nature:

- salary increase higher than 10%
- salary reduction higher than \$500.

This is due to the impact on the benefit calculations that salary changes may have.

Local Government Income Protection Fund (LGIPF)

If any members have changed their Income Protection (IP) insurance through the Local Government Income Protection Fund (LGIPF) you'll need to provide us with the following details:

- the date their LGIPF status changed
- their superannuation salary at the date their LGIPF status changed, and
- the effective date of the superannuation salary that applied when their LGIPF status changed.

This information is important as it ensures that Salarylink pays the correct insurance premiums for members. We'll normally request this when we request updated salary and employment information for Salarylink members each March.

Rolling roster

A rolling roster with a component that changes from year to year depending on allocated shifts is not included in the definition of permanent salary. We'll ask you to provide confirmation of the member's permanent salary excluding any allowances or payments for rosters.

Purchased leave

If a member purchases leave, their superannuation salary does not change. There are two options to handle a purchased-leave arrangement:

Treat as if the member had a reduction in full-time hours

You'll need to advise us of a change to their service fraction of part-time percentage reflective of the amount the purchased leave has reduced their salary and their contributions. This may impact a member's insurance.

Treat as if there's no change to the member's full-time hours

The employer and the member agree to continue the same contributions throughout the affected period. No change to the member's service fraction or part-time percentage will be required and contributions will be paid as per before the purchased-leave agreement.

Salary packaging

Changes to salary packaging or salary sacrificed amounts, for example as a result of a novated lease, sometimes result in a change to superannuation salary. There are different ways to handle this depending on the circumstances.

Reduced salary as a result of salary packaging changes

If the member's cash salary has changed due to new salary packaging arrangements, there are two ways that this can be managed:

1. If agreed by the member and the employer, the superannuation salary can be deemed to be the salary had the reduction not occurred. In this case, the reported superannuation salary and Salarylink contributions payable should be based on the pre-reduction levels.
2. If it's not agreed by the member and the employer that the superannuation salary is to be maintained at the pre-reduction levels, then the reported superannuation salary and Salarylink contributions payable can be paid on the lower cash salary. In this case, the member's benefits and insurance will be affected by a reduction in final salary and final average salary. We will, however, carry out an adjustment to the accrued benefit percentage to ensure equity and consistency of the calculations of the member's benefit accrued so far.

Increased salary due to salary packaging changes

An increase in salary due to new salary packaging arrangements should not result in an increased superannuation salary or Salarylink contributions. The superannuation salary, and related Salarylink contributions, will be deemed to be at the level before the repackaging resulted in a cash salary change.

Employer contributions to the member's Hostplus account

The employer must also contribute 3% of OTE to the employee's Hostplus account. All non-superannuation salary sacrificed arrangements reduce OTE; it's at the employer's discretion if they wish to base the 3% of OTE employer contribution on the reduced OTE.

If you have any questions regarding how to calculate superannuation salary or OTE for such arrangements please contact your Account Coordinator.

Tax file numbers

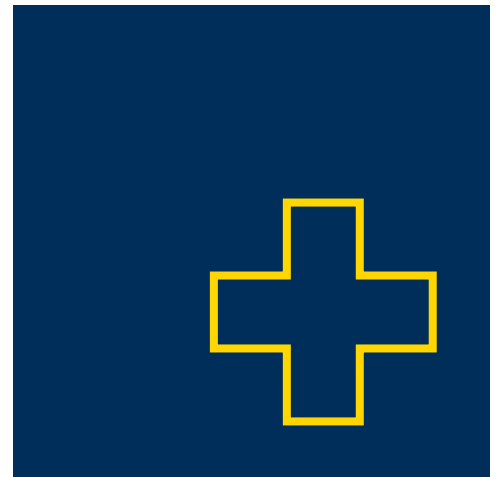
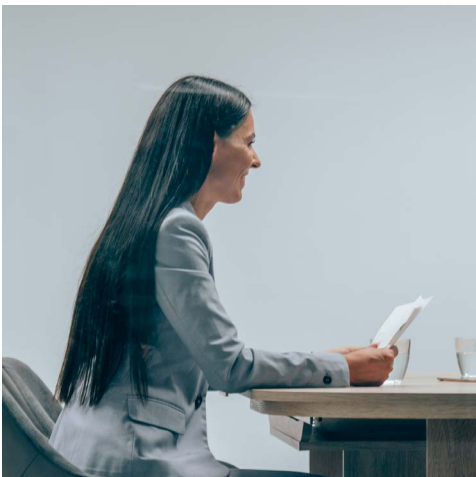
When a new employee completes their employment declaration and joins Hostplus, you're required under law to provide their tax file number (TFN) to us within 14 days or when you make their first contribution.

If you fail to do so, you may be fined by the ATO and your employee may be forced to pay extra tax on their contributions.

You can provide their TFN when submitting your contributions.

Tax implications for employers

You may claim a tax deduction for the contributions you make to Hostplus on behalf of your employees. This includes employer contributions and contributions made under a salary sacrifice arrangement.



FREQUENTLY ASKED QUESTIONS

A member is receiving an additional \$500 per fortnight for higher duties. How much super do I pay?

Additional income paid for higher duties is included in OTE but not in superannuation salary for Salarylink purposes. For a contributing Salarylink member you need to pay an additional \$15 to their Hostplus accumulation account (see calculation below). The contributions paid in respect of their Salarylink membership do not change.

Employer contribution – Hostplus accumulation account	3% x \$500= \$15
-------------------------------------------------------	------------------

What happens if a member is on secondment?

If the member has been seconded to another employer on a temporary basis, they'll be treated as if they're on leave without pay. Their super contributions will be paid by their new employer to their Hostplus accumulation account.

If the member is temporarily seconded to another position with you remaining as their employer, they'll be treated the same as if they were receiving higher duties. If the seconded position becomes permanent, then their superannuation salary can be updated as of the effective date they became permanent in that role. The higher contributions based on that higher superannuation salary can then be paid to their Salarylink membership accordingly.

Is salary sacrifice payable on back pay?

Where a salary increase is backdated, all contributions (employer and personal) must be calculated based on the back pay as the Salarylink calculations will be based on the new salary. This also applies to salary sacrifice contributions if the arrangement was already in place.

Can a member's salary sacrifice accrue annual or long service leave entitlements to super?

No. A salary sacrifice arrangement must be for the member's future earnings. It can't be for any salary, wages or entitlements they've already earned, and it can't include annual or long service leave the member accrued before entering into the arrangement. Once a leave amount is accrued to the benefit of the member, it can't be re-directed as a salary sacrifice contribution to super.

However, a member can make after-tax contributions to super. Certain conditions and taxation benefits may apply to after-tax contributions; members can call our team on 1300 467 875 for further information.

What does 'superannuation salary for Salarylink purposes' mean?

This salary is used to calculate Salarylink benefits and may be different to OTE. When there's a 'yes' indicated in the 'Superannuation salary for Salarylink purposes' column on the 'Superannuation Checklist' on page 18, then that particular payment should be included in the member's super salary and reported to us.

What happens if a member stops making contributions to Salarylink?

From the employer's perspective, the full Superannuation Guarantee (SG) contribution is then payable to the member's Hostplus accumulation account only. The employer no longer needs to split their employer contribution between the member's Hostplus account and Salarylink benefit.

From the member's perspective, they'll no longer accrue a Salarylink benefit percentage. Their Salarylink insurance will be converted to units of Hostplus Death and TPD cover (rounded up) and their Income Protection will be converted to an equivalent amount of fixed income protection cover (rounded up to nearest \$100 per month) with a waiting period of 60 days and a maximum benefit period of 2 years through their accumulation balance. Premiums will apply to the converted insurance and be deducted from the member's Hostplus account.

The member will be able to recommence Salarylink contributions (in accordance with the terms of the Salarylink rules), but any increase in insurance will require health evidence to be provided by the member to the insurer.

If a member stops making contributions to Salarylink, they may be eligible for a choice of fund if they meet certain criteria. See page 13 for more information. We suggest contacting your Account Coordinator before a member stops their Salarylink contributions to ask any questions you may have about the implications.

How do I know if a member is still eligible to contribute to Salarylink?

If a member stops Salarylink contributions, they remain eligible to recommence contributions to Salarylink until such time as they:

- cease employment with a Salarylink-participating employer
- move to casual employment, or
- turn 65.

At each of these trigger events, we'll require the member's previous 3 years' superannuation salaries so we can calculate their Salarylink benefit. If you need help, contact your Account Coordinator.

If a member reduces their work hours will their FAS be affected?

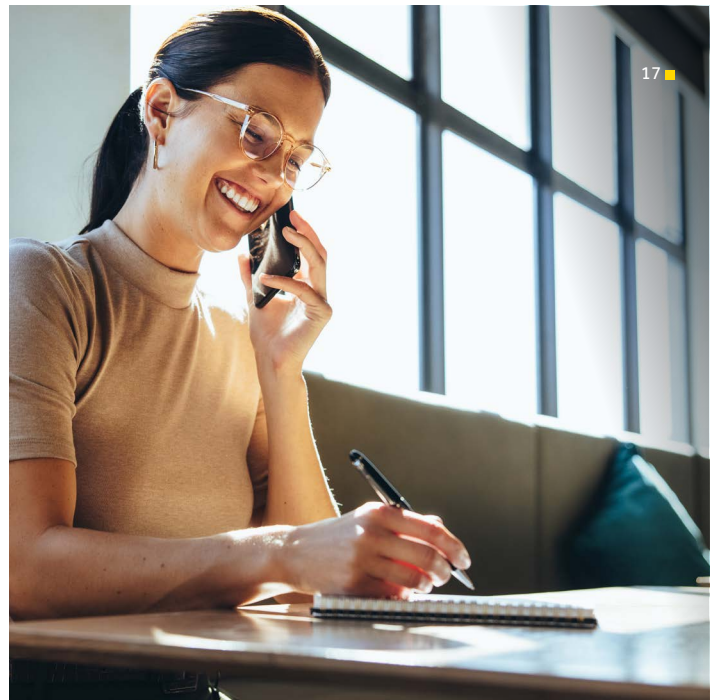
No. The calculation of their FAS is always based on their full-time equivalent superannuation salary for Salarylink purposes. However, the member's part-time percentage will change to reflect the change in their working hours. This will impact the calculation of their benefit percentage.

Why is it necessary to separate Salarylink and Hostplus account contributions?

We use this information, in conjunction with personal contribution rates, to ensure that funds are correctly split between a member's Salarylink and Hostplus accounts. An incorrect split may cause issues which can delay processing and may result in a loss for the member. This could result in a liability that you, as the employer, may need to pay due to the member's loss of earnings. It's essential to get this right, so if you have any questions contact your Account Coordinator.

How can a Salarylink member avoid exceeding their contribution limit?

Due to the complexity of the Salarylink benefit funding arrangements (which requires a 'notional taxed contribution' to be calculated) it's best that the member speaks to our team who can arrange an illustrative calculation and help the member avoid exceeding their contribution limit.



SUPERANNUATION CHECKLIST

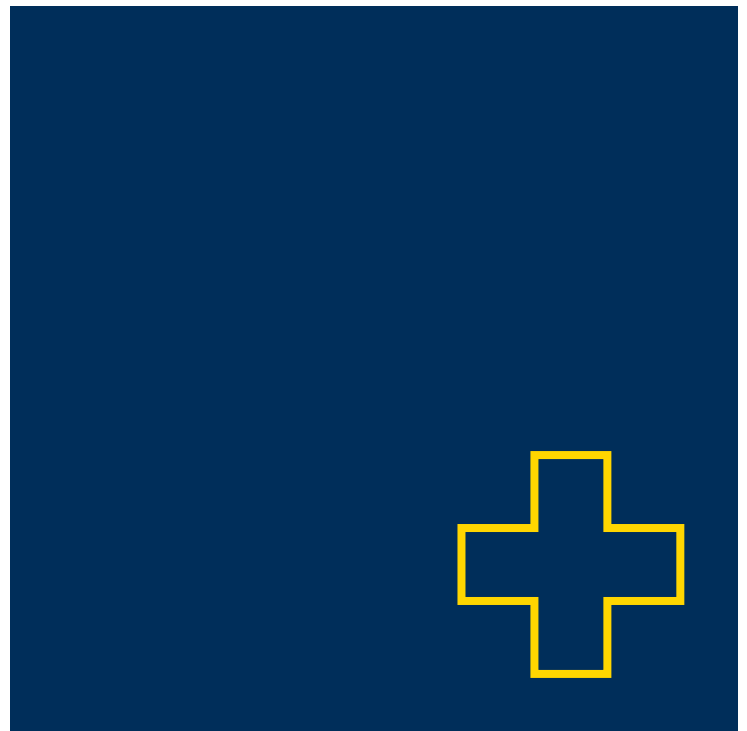
The table below identifies which payments are considered salary or wages and whether they're considered part of OTE or superannuation salary for Salarylink purposes. This is not an exhaustive list. For more information contact the ATO on 131 020 or visit ato.gov.au.

Payment type	Salary or wages	Ordinary time earnings (OTE)	Superannuation salary for salarylink purposes
Awards and agreements			
Overtime hours	Yes	No	No
Agreement supplanting award that removes distinction between ordinary hours and other hours	Yes	Yes	Yes
No ordinary hours of work stipulated	Yes	Yes	Yes
Casual employee shift loading	Yes	Yes	N/A
Casual employee whose hours are paid at overtime rates due to a 'bandwidth' clause	Yes	No	N/A
Piece-rates – no ordinary hours of work stipulated	Yes	Yes	N/A
Allowances, penalty rates and shift loadings			
Expense allowance that's paid with the expectation that it will be fully expended in producing income (i.e. car allowance paid to real estate agents)	No	No	No
Non-expense allowance of a regular and permanent nature	Yes	Yes	Yes
Non-expense allowance that is not of a regular and permanent nature	Yes	Yes	No
Penalty rates or shift loading of a regular and permanent nature	Yes	Yes	Yes
Penalty rates or shift loading that is not of a regular and permanent nature	Yes	Yes	No
Expenses			
Reimbursement	No	No	No
Petty cash	No	No	No
Reimbursement of travel costs	No	No	No
Payments for unfair dismissal	No	No	No
Workers compensation:			
▪ returned to work	Yes	Yes	Yes
▪ not working	No	No	Yes ¹⁶

16. If the contributing Salarylink member is receiving at least 80% of salary. Payments from the Local Government Income Protection Fund are excluded. Source: Australian Taxation Office and Hostplus Trust Deed.

Payment type	Salary or wages	Ordinary time earnings (OTE)	Superannuation salary for salarylink purposes
Leave			
Leave – e.g. annual, long service, sick	Yes	Yes	Yes
Parental leave – e.g. maternity, paternity, adoption leave	No	No	No
Ancillary leave – e.g. jury duty, defence reserve service	No	No	No
Leave cashed-out while employed – e.g. annual, long service, sick	Yes	Yes	No
Annual leave loading	Yes	Yes	No
Termination payments			
In lieu of notice	Yes	Yes	No
Unused leave e.g. annual, long service, sick	Yes	No	No
'Golden handshake'	Yes	Yes	No
Bonuses			
Performance bonus	Yes	Yes	No
Bonus labelled as ex-gratia but in respect of ordinary hours of work	Yes	Yes	No
Christmas bonus	Yes	Yes	No
Bonus in respect of overtime only	Yes	No	No
Other			
Sickness and accident insurance policy held by Salarylink employer for the benefit of its employees	No	No	Yes ¹⁷
Local Government Income Protection Fund	No	No	No
Higher duties	Yes	Yes	No
Additional hours	Yes	Yes	No

17. If contributing Salarylink member is receiving at least 80% of salary. Payments from the Local Government Income Protection Fund are excluded. Source: Australian Taxation Office and Hostplus Trust Deed.



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Issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL 244392 as trustee for the Hostplus Superannuation Fund (the Fund) ABN 68 657 495 890, MySuper No 68 657 495 890 198.

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