

## NOTICE TO MEMBERS - TRANSITION TO THE FINANCIAL MARKETS CONDUCT ACT (FMC ACT) REGIME

This notice is for your information only. No action is required by you.

### The Plan's transition

Last year's annual report mentioned that all registered superannuation had until 1 December 2016 to comply with the new FMC Act regime, which governs how financial products including employer-sponsored superannuation schemes such as the Employee Retirement Plan (Plan) are created, promoted and sold.

We are pleased to let you know that the Plan transitioned to the new regime on 30 November 2016 and from that date, the requirements of the FMC Act began applying to the Plan.

The purpose of this notice is to let you know about the Plan's transition to the FMC Act regime and the resulting changes to the operation of the Plan.

### Shortened timeframes for member benefit statements and financial statements

The new regime shortens the timeframe within which member benefit statements must be issued and the Plan's financial statements must be completed, to three and four months respectively. As a result, later this year and (and in subsequent years) your annual benefit statement will have to be issued before the end of September and your annual report before the end of October.

### Changes to Plan documents

The transition to the FMC Act regime has also involved changes to the Plan's documentation. The Plan's trust deed, employer agreement and statement of investment policy and objectives ('SIPO') have been amended to align with the requirements of the FMC Act and associated regulations. You can view or download copies of the Plan's trust deed, employer agreement and SIPO by visiting [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose), selecting 'Search schemes' and entering the Employee Retirement Plan by name.

### Trustee

The Financial Markets Authority has designated Public Trust, the Plan's Trustee, as a specified licensed independent corporate trustee and the Plan as a specified restricted scheme.

If you have any questions relating to the transfer to the new regime, please direct them to the Trustee, as the manager and issuer of the Plan. The Trustee can be contacted through the Secretary to the Trustee, whose contact details are as follows:

Secretary to the Trustee  
Employee Retirement Plan  
C/- Mercer (N.Z.) Limited  
PO Box 2897  
Wellington 6145

You have the right to receive a copy of the Plan's new trust deed from the Trustee, free of charge, within 15 working days by contacting the Secretary to the Trustee at the address above.

## IMPORTANT INFORMATION – EXEMPTION FROM ANTI-MONEY LAUNDERING LEGISLATION

The Financial Markets Conduct Act (FMC Act) requires members to be formally notified of any changes to their superannuation scheme.

Public Trust, the Trustee of the Teachers Retirement Savings Scheme (Teachers' scheme) has been granted a ministerial exemption from the requirements of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 on the basis that the scheme poses a very low risk of money laundering or terrorism financing.

As a reporting entity under that FMC Act, without the ministerial exemption the Trustee would have been required to undertake a number of tasks, including verifying members' identities in a range of specified situations and putting in place policies, procedures and controls aimed at preventing money laundering and terrorism financing. The costs of doing so would have been significant and would have affected all members. To save members these extra costs, the Trustee has decided to rely on the ministerial exemption. You can contact the Secretary to the Trustee to find out more about the exemption and its conditions.

### Changes affecting your contributions

To rely on the exemption, changes have been made to the scheme's employer agreement to restrict members' ability to contribute to the scheme voluntarily other than through the Ministry (including the Trustee's ability to accept contributions in any form).

However, you can still:

- make voluntary contributions through the Ministry;
- contribute other than through the Ministry to cover an agreed period of unpaid leave of absence. Your contributions cannot exceed (in terms of amount or frequency) the contributions you were making immediately before you went on unpaid leave and must be collected through the Ministry or Mercer, the Scheme's administration manager;
- make backdated contributions to cover all or some of a period of parental leave, which must be made through payroll and are now capped at 10% of your salary. If you are made redundant before or when your parental leave ends, you can elect to make contributions to cover your parental leave.

The changes will take effect from 1 April 2017. To find out more about the exemption and its conditions, call 0508 4 TEACH (0508 4 83224), or write to:

Secretary to the Trustee  
Teachers Retirement Savings Scheme  
c/o Mercer (N.Z.) Limited  
PO Box 2897  
Wellington 6140