

# PacSuper Trust: Papua New Guinea

Your Guide to Superannuation

## **What is PacSuper Trust Superannuation Fund?**

The PacSuper Trust Superannuation Fund is an approved Superannuation Fund governed under the Superannuation Legislation in Papua New Guinea (PNG) to fulfil the need for a safe, secure long-term superannuation savings facility for retirement. Today the PacSuper Trust Superannuation Fund is recognized as the only superannuation fund that offers its members the choice to save in Australian Dollar or PNG Kina.

## **Who is Required to Contribute to the Fund?**

Under the legislation any employer that employs 15 or more persons must contribute to an Approved Superannuation Fund (ASF) in PNG. Expatriates can voluntarily contribute to the Fund. Employees who must contribute are those who have:

- Completed three months of continuous service
- Been declared permanent

Superannuation also allows for individuals who are self-employed or informally employed to contribute to the Fund.

## **What is the Rate of Contributions?**

- Employee after-tax contributions are unlimited (minimum of 6 percent of basic gross pay)
- Employer contributes a minimum of 8.4 percent on behalf of the employee. The employee may also negotiate with the employer to additional salary package contributions of up to 6.6 percent (for a total maximum of 15 percent)

It is not compulsory for expatriates, though they may voluntarily contribute by negotiating with their employer for a salary package of up to 15 percent of their basic gross salary. Independent tax advice should be obtained for your own personal circumstances.

Specifically excluded for the application of superannuation from an employee's gross basic salary is overtime pay, allowances, salary sacrifices, bonuses and compensation or any gifts made by an employer.

## **What are the Choices of Currencies?**

Members have a choice of two currencies, in Kina or AUD. The superannuation contributions can be invested in these currencies and members may choose to change currencies once a year.

## **What Happens to the Contributions?**

Contributions received by the Fund are managed by BSP Capital and invested in government securities,

commercial bank IBDs and listed shares. Our investment strategy is conservative, looking to obtain growth with low risk.

### **What Types of Benefits are Available?**

#### **Housing Advance**

After five years of membership, you can use your employee contributions toward maintaining, purchasing or building your principal place of residence.

### **When Can a Member Withdraw?**

Under the Superannuation Act of 2000, members are entitled to withdraw their savings on the grounds of unemployment, retirement, permanent disability, death or emigration.

#### **Unemployment**

If a member is unemployed for 12 months or more and has not obtained new employment, they are entitled to a full withdrawal of their savings. After three months of continuous unemployment and the member suffers financial hardship, they are allowed partial withdrawals of funds. For those with total contributions less than K1,000, this can be withdrawn in full.

If the member's total contributions exceed K1,000, they are entitled to make monthly partial withdrawals of K200 or 50 percent of the member's last monthly gross salary, whichever is greater.

#### **Retirement**

For those over 55 years old and who are retired from active employment, a full withdrawal of savings is allowed. We recommend that you leave your funds for more than five years due to tax benefits. Independent tax advice should be obtained for your own personal circumstances.

#### **Disablement**

Upon permanent or total incapacity to work, the member is entitled to an immediate payout.

#### **Death**

In the event of a member's death, the funds are paid out to the nominated beneficiaries. Please advise PacSuper of your nominated beneficiaries.

#### **Emigration**

Where a member permanently emigrates from PNG, their contributions will not be paid until after one year has passed since leaving their employer, or age 55, whichever occurs first.

#### **Transfer**

Employer-contributed funds can be transferred to another ASF with a 75 percent employee vote. If you are an individual/employee making voluntary contributions, you may choose to transfer to PacSuper

Trust.

### How Much is a Member Entitled To?

The net benefit a member is entitled to will be the total contributions plus interest, less fees and tax.

### Are There Any Fees?

The fund charges the following fees:

	AUD	PGK
Registration fee	0	K0
Partial withdrawal fee (per withdrawal)	\$10	K10
Full withdrawal fee	\$20	K20
Administration fee	\$52 (per annum)	K0

### How is My Superannuation Taxed?

When the member exits, the Fund will apply tax on the employer and the accrued interest. The tax structure is designed to favour long-term contributors. Substantial tax benefits are achieved for those who remain in the Fund for a longer period.

Membership Period	Tax Rate	Tax Rate
	Ordinary	Over 50 Years of Age
Less than 5 years	Marginal Tax Rate	Marginal Tax Rate
More than 5 years but less than 7 years	15%	15%
More than 7 years but less than 9 years	15%	2%
More than 9 years but less than 15 years	8%	2%
More than 15 years	2%	2%

Rates are applicable as of February, 2018.

The 2 percent tax rate also applies in the event of disablement or death.

## Member Portal

The Fund has a member portal that offer members a means to access the details of their PacSuper Trust superannuation fund, which includes:

- Important dates
- Account balances
- Transaction history
- Personal information
- Beneficiary information

### Access the member portal here

<https://amt.penproplus.com/login>

A detailed user guide will be provided to assist with your registration.

## Employee Application Form

### Employer Details

Employer Number	Payroll Number	Membership Number
Employer		
Postal Address		
Physical Address		
Phone	Mobile	
Work Email	Fax	
Date Employment Commenced (dd/mm/yyyy)		

### Personal Details

Surname	Given Name
Date of Birth (dd/mm/yyyy)	Gender <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Non-Binary
Personal Email	Mobile Phone
Confirmation of Citizenship	<input type="checkbox"/> Citizen Village or District Province
	<input type="checkbox"/> Non-Citizen Nationality (attach copy of passport)

1. I, \_\_\_\_\_, hereby apply for membership in the above-mentioned Fund.

2. In consideration of my admission to membership, I hereby agree to abide by and be bound by the provisions of the Fund.

3. I have been advised of the benefits, which I am entitled to receive from the Fund on retirement, death or termination of service with my employer.

4. I hereby authorise my current employer to deduct from my salary and/or negotiated salary package the amount of the contributions to the Fund. The contribution deduction is:

- Employee deduction: after-tax deduction from my salary
- Employer deduction: before-tax deduction from employer and/or salary package

5. I hereby authorise to contribute in: (Please tick one of the options and sign to confirm.)

- Cash in Australian Dollars (Au\$) *Signed*
- Cash in PNG Kina (K) *Signed*

**Nomination of Beneficiaries** Please note: Only beneficiaries under the age of 18 will need guardian details to be completed.

I hereby nominate the following persons to receive the benefit payable by the

Name of Nominee	Date of Birth	Relationship to Member	Name of Guardian	Guardian's Relationship to Nominee	Amount to be Paid to Nominee (%)

Signature of Member Date (dd/mm/yyyy)