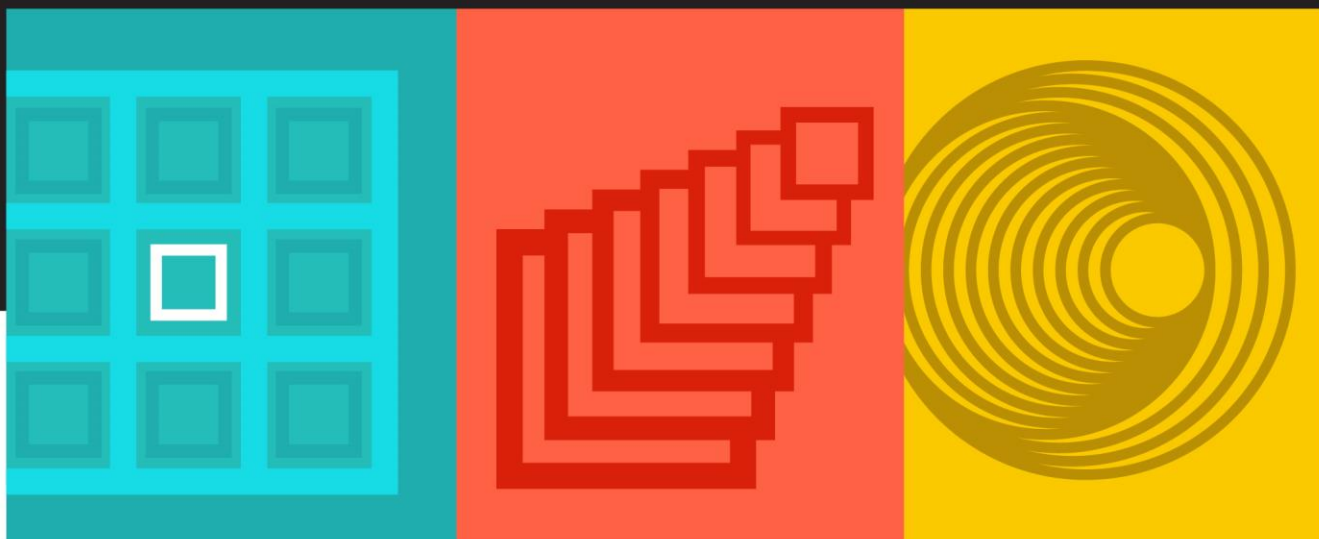


15 May 2023



# Toll Group Superannuation Plan

Funding and Solvency Certificate effective 26 February 2023



## Oversight

Foster a culture of strong governance to confidently manage uncertainty.

## Foresight

Understand the implications of decisions and the likely outcomes.

## Insight

Navigate the regulatory and business environment, and unlock the value of data.

---

### DISCLAIMER

This document has been prepared for distribution to Trustee of the OnePath MasterFund (Trustee) and to the employers participating in the Toll Group Superannuation Plan (the Employers). It is not to be issued to any other party for any purpose, nor should any other party seek to rely on the opinions, advice or any information contained within this document.

Professional Financial Solutions disclaims all liability to any party other than the Trustee or the Employers in respect of, or in consequence of, anything done, or omitted to be done, in reliance, whether whole or partial, upon any information contained in this document. Any party other than the Trustee or the Employers who chooses to rely in any way on the contents of this document does so at their own risk.

The information in this document and in any related oral presentation made by Professional Financial Solutions is confidential between Professional Financial Solutions and the Trustee and the Employers and should not be disclosed, used or duplicated, in whole or in part, for any purpose except with the prior knowledge and consent of Professional Financial Solutions.



# Table of Contents

<b>1</b>	Funding and Solvency Certificate .....	1
<b>1.1</b>	<b>Background .....</b>	<b>1</b>
<b>1.2</b>	<b>Effective Date of this Certificate .....</b>	<b>1</b>
<b>1.3</b>	<b>Minimum Requisite Benefits .....</b>	<b>1</b>
<b>1.4</b>	<b>Expiry Date .....</b>	<b>2</b>
<b>1.5</b>	<b>Notifiable Events .....</b>	<b>2</b>
<b>1.6</b>	<b>Data and Assumptions .....</b>	<b>3</b>
<b>1.7</b>	<b>Events since the effective date of this Certificate ...</b>	<b>3</b>
<b>1.8</b>	<b>Certification .....</b>	<b>3</b>

# 1 Funding and Solvency Certificate

## 1.1 Background

The Toll Group Superannuation Plan (the Plan) is a sub-plan within the OnePath MasterFund, governed by the provisions of the OnePath MasterFund Trust Deed, Schedule 6 (Corporate Super), the Plan's Employer Application Form and associated Benefit Specification Schedule, and any subsequent deeds of amendment.

The principal employer is Toll Group.

Regulation 9.09(1) of the Superannuation Industry (Supervision) Regulations (SIS Regulations) requires that when a defined benefit plan is being used to meet an employer's obligations under the Superannuation Guarantee (Administration) Act 1992, the Trustee needs to obtain a Funding and Solvency Certificate from an actuary. This Certificate specifies the employer contribution rates required to fund the Plan's Minimum Requisite Benefits (MRBs).

SIS Regulation 9.09(2) requires the Trustee to give a copy of this Certificate as soon as practicable to each employer who is contributing or who will contribute to the Plan.

This Certificate has been prepared in accordance with SIS Regulations, and with Professional Standard 407 issued by the Institute of Actuaries of Australia.

## 1.2 Effective Date of this Certificate

The effective date of this Certificate is 26 February 2023.

This Certificate replaces the Plan's previous Funding and Solvency Certificate, issued by me, and dated 25 February 2019.

## 1.3 Minimum Requisite Benefits

This Certificate relates to the MRBs described in the Benefit Certificate issued by me on 25 February 2019, effective from 25 February 2019 to 25 February 2024.

In issuing this Certificate, I have assumed that a replacement Benefit Certificate will be issued on or before expiry of the current Benefit Certificate, and that it will specify MRBs in the same format as the current Benefit Certificate.

## 1.4 Expiry Date

The Certificate will expire on 30 April 2024. However, under SIS Regulation 9.14, the Trustee must obtain a replacement Certificate on or before the date on which 75% of the term expires. Therefore, a new Certificate should be issued by 13 January 2024.

The Certificate will also cease to have effect on the date of the earliest of the following events:

- (a) The occurrence of a Notifiable Event; or
- (b) The actuary giving written notice of withdrawal of the Certificate; or
- (c) Amounts from the Plan being released to an employer-sponsor of the Plan under section 117 of the SIS Act; or
- (d) Withdrawal of the related Benefit Certificate; or
- (e) The employer sponsors failing to pay the contributions certified in Section 1.7 of this Certificate; or
- (f) Another Funding and Solvency Certificate taking effect in respect of the Plan.

## 1.5 Notifiable Events

A Notifiable Event is an event which, in my opinion as actuary, warrants replacement of this Certificate. If a Notifiable Event occurs, this Certificate will cease to have effect and a new Certificate must be obtained by the Trustee, not later than three months after the date on which the Notifiable Event occurred. The Trustee of the Plan has a responsibility to monitor the circumstances of the Plan and to advise the actuary in the event of the occurrence of any Notifiable Event.

I have identified the following Notifiable Events:

- Any changes are made to the level or method of calculation of the benefits payable to the members of the Plan, whether by amendment of the governing rules of the Plan or otherwise;
- Any change is made to the method of calculation of the Plan's MRBs;
- The Trustee becomes aware of any actual or possible misappropriation of assets of the Plan;
- The Trustee loses its RSE licence or the Plan loses its complying fund status;
- The cumulative investment return earned on the Plan's defined benefit assets since 26 February 2023 has been below negative 10%.

- Superannuation salaries, averaged over all defined benefit Plan members, increase by more than 10% p.a. over 2022-23 or any subsequent financial year;
- Asset coverage of defined benefit section vested benefits, as measured by the Trustee on a monthly basis, falls below a ratio of 100%;
- Any event advised by the actuary to the Trustee as being a Notifiable Event during the period of this Certificate.

## 1.6 Data and Assumptions

This Certificate is based on 31 March 2023 asset and membership data provided by Insignia Financial, and on the assumptions and benefits described in my report of 22 December 2020 on the Plan's actuarial investigation as at 30 June 2020.

## 1.7 Events since the effective date of this Certificate

In preparing this Certificate, I have taken into account my estimate of the Plan's investment return from 31 March 2023 to 30 April 2023, based on the Plan's investment holding and unit price information provided by Insignia Financial.

I am not aware of any other events between the effective date and the date of signing that would affect the contents of this Certificate.

## 1.8 Certification

I certify that the Plan was solvent (as defined in Division 9.3 of the SIS Regulations, at the effective date of the Certificate.

I also certify that the Plan is expected to remain solvent during the period of this Certificate, if employer contributions are paid into the Plan at no less than the following levels:

<b>Defined benefit members</b>	5.88% of salaries (i.e. the member pre-tax contribution rate), plus  3% of salaries towards members' Industrial Agreement Accounts in the accumulation section of the Plan,
<b>Accumulation section members</b>	The NECR times OTE (as defined in the Plan's Benefit Certificate),

plus any amounts due in respect of salary sacrifice contributions paid by members.

These contributions should be paid within 30 days of the end of the month to which they relate.

In my report of 22 December 2020 on the Plan's actuarial investigation as at 30 June 2020, I recommended that the employer contribution rate should be increased from 5.88% of salaries to 10% of salaries, effective 1 February 2021. Insignia Financial have advised that this increase did not occur, and hence that employer contributions are still being paid to the defined benefit section of the Plan at the rate of 5.88% of salaries.

For the purposes of this certificate, I have specified the employer contribution rate as 5.88% of salaries, i.e. the rate actually being paid to the defined benefit section. On the assumptions adopted, this contribution rate is expected to be more than sufficient for the Plan's financial position to remain solvent during the period of coverage of this Certificate.

The Plan is due for an actuarial investigation relatively soon, effective 30 June 2023. I will issue a replacement funding and solvency certificate based on the results of that valuation.



**John Newman FIAA**

**15 May 2023**

# Service Offerings

Actuarial

Finance

Governance

Supervisory

Risk Management

Superannuation

Insurance

Executive Remuneration



**PFS Consulting**

LEVEL 3, 343 GEORGE ST, SYDNEY NSW 2000

P +612 9225 6100

PROFESSIONAL FINANCIAL SOLUTIONS PTY LTD ABN 84 096 646 178 AFSL 283650

[PFSCONSULTING.COM.AU](http://PFSCONSULTING.COM.AU)