

National Provident Pension Scheme

INFORMATION BOOKLET



This is an Information Booklet for the National Provident Pension Scheme. The information in this Information Booklet was correct as at 1 August 2024, the date on which this Information Booklet was issued. The National Provident Pension Scheme is managed by the Board of Trustees of the National Provident Fund.

The National Provident Pension Scheme is not required to comply with all the requirements of the Financial Markets Conduct Act 2013, and in particular is not required to prepare a product disclosure statement. Accordingly, this Information Booklet is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013.

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Welcome to the National Provident Pension Scheme

1. What sort of investment is this?

The National Provident Pension Scheme (the **Scheme**) is a pension scheme established by a **Trust Deed** dated 20 April 1999 which has been amended from time to time and was last amended and restated on 30 January 2021. The **Board** is the **Trustee** of the Scheme and responsible for the overall management of the Scheme.

The Scheme is a **Superannuation Scheme** registered under the **FMC Act**.

The Scheme invests through the **Global Asset Trust**. The Board is also the trustee of the Global Asset Trust. The Global Asset Trust holds assets on behalf of the Scheme and other National Provident Fund superannuation schemes. The Scheme invests in a range of asset classes through the Global Asset Trust. The Board may change the asset allocation of the Scheme from time to time. Please see the Board's website at www.npf.co.nz for the current asset allocation.

You may only become a **Member** of the Scheme if:

- (a) you become entitled to be paid a pension under a **Contributors Scheme** on or after 1 May 1999; or
- (b) you are already receiving a pension under a Contributors Scheme when the Board, as trustee of the Contributors Scheme, decides to transfer all such persons (and the liability to pay their pensions) to this Scheme.

If you have been transferred from a Contributors Scheme to this Scheme, the amount of a benefit payable to you is identical to the benefit which would otherwise be payable to you under the relevant Contributors Scheme.

At the date of this **Information Booklet**, a Contributors Scheme is one of the following National Provident schemes:

- Pension National Scheme
- Lump Sum National Scheme
- Meat Industry Scheme
- Meat Industry Related Trades Scheme
- Ships' Officers Scheme
- Pension Cash Accumulation Scheme
- Lump Sum Cash Accumulation Scheme
- National superannuation scheme for Farm Workers
- Post-60 Scheme
- Staff Pension Scheme
- Level Premium Scheme
- Annual Single Premium Scheme
- Aircrew Superannuation Scheme

The Board may in the future decide to include other National Provident Fund schemes as Contributors Schemes for this purpose.

In relation to a **Member**, "Contributors Scheme" means the Contributors Scheme under which that Member was a contributor (or under which the pension entitlement arose).

When you and the liability to pay your pension are transferred to this Scheme:

- (a) assets with a value determined by the Board (having considered the advice of the actuary) to meet the pension are transferred from the Contributors Scheme to this Scheme; and
- (b) you will automatically become a Member of this Scheme.

The Board must not transfer you and the liability to pay your pension to this Scheme unless it is satisfied, having considered the advice of the actuary, that:

- (a) the terms of your pension under this Scheme are not materially and adversely different from your current entitlement; and
- (b) the transfer of assets to this Scheme is fair and equitable to you and to all members and beneficiaries of the Contributors Scheme materially affected by the transfer, and all Members and beneficiaries of this Scheme.

Crown guarantee

The benefits payable by the Scheme are guaranteed by the **Crown** under section 60 of the National Provident Fund Restructuring Act 1990 (**Act**). This guarantee is not secured by a mortgage or other charge. The only condition applying to the guarantee is that, upon a winding up of this Scheme, the assets will be realised and the proceeds (after deduction of reasonable costs of the winding up) will be allocated to the remaining Members on a pro rata basis, taking into account their interests in the Scheme.

2. Who is involved in providing it for me?

The Scheme is called the National Provident Pension Scheme. The Trustee of the Scheme is the Board.

The address of the Board (and its principal place of business in New Zealand) is:

Level 12
The Todd Building
95 Customhouse Quay
Wellington 6011

Email: enquiries@npf.co.nz

The members of the Board and the Board's address may change from time to time without notice to Members. The Board's address is available online under the "Contact Us" tab at **www.npf.co.nz**.

Annuitas Management Limited (**Annuitas**) provides management services to the Board. Annuitas has regular contact with investment managers and **Datacom** the Scheme administrator on behalf of the Scheme. The Board owns 50% of the shares in Annuitas. Annuitas also provides management services to the Government Superannuation Fund Authority, which owns the other 50% of the shares in Annuitas.

Scheme administrator

The Board has appointed Datacom to administer the Scheme.

Datacom's address, at which it can be contacted in relation to the Scheme (and its principal place of business in New Zealand for the administration of the Scheme) is:

PO Box 1036
Wellington 6140

Toll free telephone number: 0800 628 776
Telephone: +64 4 381 0600

The address of Datacom may change from time to time without notice to Members. Datacom's address is available online under the "Contact Us" tab at www.npf.co.nz.

History of the Scheme

The Scheme was established on 1 May 1999 under the National Provident Fund Restructuring Amendment Act 1997, for the purpose of paying pensions arising from the Contributors Schemes. The Scheme is governed by an amended and restated trust deed dated 30 January 2021.

Responsible investing

Responsible investment, including environmental, social and governance considerations, is taken into account in the investment policies and procedures of the Scheme, as at the date of this Information Booklet. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures:

- on the Board's website on the Internet at www.npf.co.nz (under "How We Invest", then "Investment Publications"), which is publicly accessible at all reasonable times; and
- from the Board, free of charge, upon request.

3. How much do I pay?

You do not pay anything to the Scheme. At the time you become a Member of the Scheme, assets with a value determined by the Board (having considered the advice of the actuary) to meet your pension are transferred from the relevant Contributors Scheme to the Scheme.

4. What are the charges?

There are no entry charges or contribution fees in respect of the Scheme.

Fees and expenses are paid from the Scheme to Datacom, the actuary and the auditor of the Scheme, and the Board's accountants, solicitors and other advisers.

The total fees payable to Datacom for the administration of all National Provident Fund superannuation schemes are set by an agreement between the Board and Datacom. Of these total fees, those charged to the Scheme are determined by membership category, membership numbers and the number of administration transactions undertaken by Datacom.

The Board pays fees to Annuitas for providing management services. These fees are based on Annuitas' costs and the proportion of the total services it performs which are provided to the Board.

The Scheme invests only in the Global Asset Trust (of which the Board is also the trustee). The Global Asset Trust holds assets on behalf of the National Provident Fund superannuation schemes. The Scheme invests in a range of asset classes through the Global Asset Trust. The Board may change the asset allocation of the Scheme from time to time. Please see the Board's website at www.npf.co.nz for the current asset allocation. Fees and expenses are paid by the Global Asset Trust to the investment managers and custodians, and to various consultants.

The remuneration of Board members and expenses incurred in carrying out the Board's affairs are paid from the Scheme, other National Provident Fund superannuation schemes, and the Global Asset Trust.

The fees and expenses payable by to the Scheme may be altered from time to time.

The total fees and expenses paid by the Scheme in the year ended 31 March 2024, after tax, were equivalent to 0.54% of the net assets of the Scheme. The percentage may vary from year to year but should not vary significantly.

The above fees and expenses, paid from the Scheme or the Global Asset Trust, do not affect the entitlements paid to you from the Scheme.

5. What returns will I get?

Your returns from the Scheme will be in the form of a pension.

Earnings

The Scheme's investment assets, along with the assets of other National Provident Fund superannuation schemes, are invested through the Global Asset Trust. The Global Asset Trust in turn invests in various investments, such as New Zealand and international shares and debt securities (including Government stock, bank bills, company debentures, and short term deposits).

After payment of the fees, expenses and tax of the Global Asset Trust (including the fees and expenses paid to investment managers and custodians (see above)), the earnings from these investments are credited to the National Provident Fund superannuation schemes which have invested in the Global Asset Trust.

Key factors affecting your benefit

Your benefit is determined under the Contributors Scheme of which you were a contributor (or under which your pension entitlement arises). While not quantifiable at the date of this Information Booklet, your benefit will be quantifiable at the time you become a Member of the Scheme. Depending on which of the Contributors Schemes you transferred from, the key factors which influence the amount of your benefit could include:

- the amount of the contributions made by you (or by the Member in relation to whom your benefit entitlement arises), and by your (or that Member's) employer (if any);
- the earnings rate applied by the Board from time to time and up to the date you elect to receive a benefit;

- the amount of any reserves credited to your account by the Board;
- whether the Contributors Scheme has positive reserves at the time you elect to receive a benefit and whether there has been an increase in the reserves of the Contributors Scheme during your period of membership (or the period of membership under which your entitlement arises); and
- the actuarial assumptions used to determine the amount of the pension.

The Board has discretion under the Scheme's Trust Deed to increase, from time to time, pension benefits being paid by the Scheme. Its ability to do so will primarily be affected by the solvency position (funding level) of the Scheme. This is the amount by which the Scheme's assets exceed its liabilities from time to time.

No amount of return has been promised by any person.

Tax

Under legislation applying as at the date of this Information Booklet, if you are a New Zealand tax resident:

- the taxable income of the Scheme is taxed at 28%;
- the taxable income of the Global Asset Trust is taxed at 28%; and
- you do not pay tax on any benefit received from the Scheme (so it is not required to be shown on any income tax return).

If you are not a New Zealand tax resident we recommend you seek independent tax advice.

Benefit payments

Pensions are paid at 4-weekly intervals, or as the Board may direct.

Benefit payments may be delayed where insufficient cash is held by the Scheme or can be called upon from the Crown to meet benefit payments.

The Board, in its capacity as trustee of the Scheme, is the body legally liable to pay benefits under the Scheme.

Crown guarantee

Benefits payable under the Scheme are guaranteed by the Crown by virtue of section 60 of the Act, as applied by section 19, and Schedule 1 of the National Provident Fund Restructuring Amendment Act 1997. This guarantee is not secured by a mortgage or other charge. The only condition applying to the guarantee is that, upon a winding up of this Scheme, the assets will be realised and the proceeds (after deduction of the reasonable costs of the winding up) will be allocated to the remaining Members on a pro rata basis, taking into account their interests in the Scheme.

6. What are my risks?

All benefits (entitlements) payable by the Scheme are guaranteed by the Crown.

This section comments on the most significant risks in relation to your membership of the Scheme. You are not obliged or permitted to contribute any money to the Scheme.

Because the Scheme is a defined benefit scheme and benefits payable by the Scheme are guaranteed by the Crown, the way in which the assets of the Scheme and the Global Asset Trust are managed has no material effect on your entitlement from the Scheme.

Investment risks

The Board is responsible for establishing and maintaining the investment policy of the Global Asset Trust. The Board's objective is to optimise returns at an acceptable level of risk.

Active management risk

The Board has appointed professional investment managers to manage the assets of the Global Asset Trust. A list of these managers is available under the "How do we invest" tab and a breakdown of the asset allocation is available under the "Members/Schemes" tab online at www.npf.co.nz. The Board's Statement of Investment Policies Standards and Procedures is also available on this website. Investment mandates are set and each investment manager's performance is monitored against its mandate on a regular basis.

Poor performance by investment managers may result in the Scheme not reaching expected **Investment return** benchmarks and the assets of the Scheme being less than the liabilities. When this happens, the solvency position (funding level) of the Scheme will be less than 100%. The Board mitigates this risk by having a comprehensive reporting regime for investment managers.

The Crown guarantee means you will continue to receive your pension at times when the solvency position of the Scheme is less than 100%. If the Scheme is wound up you may not receive your benefits in full (refer page 10 for more information on what happens if the Scheme is wound up).

Currency risk

Currency risk may affect the Scheme's investments in offshore assets which are not hedged or are only partially hedged. Currency risk is the risk of exchange rate fluctuations between the New Zealand dollar and foreign currencies. As some of the assets of the Scheme are invested overseas, returns can be affected by movements between the New Zealand dollar and other currencies.

Valuation risk

The Scheme's assets are invested in the Global Asset Trust. Pricing of the units the Scheme holds in the Global Asset Trust is based on the latest market information. For securities or stocks that are illiquid or trade infrequently this pricing may not fully reflect the price available to either buyers or sellers. Accordingly there is a risk that the quoted unit price may change when these assets are revalued by the market following a transaction.

Risks associated with derivatives

Financial instruments, known as derivatives, may be used to manage risks (particularly market and currency risk) and for investment purposes. A derivative is a contract with a return that depends on or derives from one or more underlying assets or reference items. The most common underlying assets or reference items include shares, bonds, currencies, cash, interest rates, events, entities and market indices. Specific risks with derivatives are:

- Losses because of changes in the value of the underlying assets, indices or rates.

- Losses if the other party to the derivatives contract fails to meet its contract obligations.
- Exaggerations in the effect of any increase or decrease in the value of the underlying assets, indices or rates.

The Board seeks to mitigate these risks by taking into account the financial strength of any counterparties to derivative contracts and by monitoring to make sure we are using derivatives in accordance with our Statement of Investment Policies, Standards and Procedures.

Liquidity risk

During normal operational circumstances, benefits will be met out of cash held by the Scheme. There is a risk that payments may be delayed where insufficient cash is held by the Scheme or can be called upon from the Crown to meet benefit payments.

Operational risk

The Board may be exposed to operational risks that result from external events or failure of internal processes, people and systems. These risks include technology risk (including business system failure), human error or failure, fraud, non-compliance with legal and regulatory obligations, counterparty performance under outsourcing arrangements, legal risk, data integrity risk, security risk and external events. These risks may impact on the overall management and operations of the Scheme.

Other risks

Inflation risk

Pensions payable under the Scheme do not increase each year. Increases are at the discretion of the Board, subject to Scheme reserves, as noted on page 7. This means the purchasing power of your pension will reduce over time.

Mortality risk

Where the Contributors Scheme under which your entitlement arose was a defined contribution scheme, the pension payable is determined based on the average mortality of the New Zealand population and the experience of the Scheme. This means if you die before the average age the total benefits you receive may be less than your Benefit Credit under the Contributors Scheme.

Losing contact with the Scheme

If you do not keep the Board informed of your current address, there is a risk that payment of your entitlements may be suspended until contact is re-established.

Those entitlements will be reinstated if you establish, to the Board's satisfaction, that you are the person to whom those entitlements were owed.

What if the Scheme is wound up?

The Scheme may be wound up only at the direction of the Minister of Finance after consultation with the Board.

However, the Scheme may not be wound up unless there will be sufficient proceeds available (after the payment of the reasonable costs of the winding up) to pay to each Member an amount equal to the present value of that Member's future benefits, as determined by the Board based on the recommendation of the actuary.

Subject to any tax or other obligations personal to you that you may owe to Inland Revenue or a taxing authority in another country or that you may be required to make as a result of any Court order served on the Board, you will not be liable to pay money to any person as a result of the Scheme being insolvent or wound up.

The payment of any creditors and the reasonable costs of winding up the Scheme will rank ahead of the claims of Members. The claims of all Members and beneficiaries will rank equally among themselves in the winding up.

On a winding up, each pension being paid or becoming payable will be secured from a life insurance company or another Superannuation Scheme (including, but not limited to, a National Provident Fund scheme). Alternatively, you may elect to receive a lump sum equal to the assets allocated as above.

As mentioned above, the benefits payable under the Scheme are guaranteed by the Crown. However, in the unlikely event that the Scheme is wound up:

- you may not receive your benefits in full; and
- you may receive less than the amount of your contributions to the Contributors Scheme.

7. Can the investment be altered?

The Trust Deed of the Scheme contains a clause allowing amendment of the deed by the Board. There are certain conditions set out in the Trust Deed that must be met before the Trust Deed can be amended.

An Act of Parliament may authorise amendment of the Scheme's Trust Deed without the need to obtain Members' consents.

The Scheme complies with the Act and other relevant legislation and may change if the law changes.

8. How do I cash in my investment?

The benefits available to you are determined under the Contributors Scheme of which you were a contributor (or under which your pension entitlement arises). You should review the trust deed for the relevant Contributors Scheme for a detailed description of your benefits. These trust deeds are available on the NPF website (www.npf.co.nz) or by contacting Datacom.

You may not elect to receive a pension from any of the Contributors Schemes if it would be less than an amount determined by the Board from time to time (the **Minimum Pension**). In this case, your benefit will be paid as a lump sum from the relevant Contributors Scheme, and you will not become a Member of this Scheme. As at the date of this Information Booklet, the Minimum Pension (as determined by the Board) is \$1,042.86 per annum.

For a more detailed explanation of the benefits available to you, and an estimate of the actual amounts involved, you should read the options letter enclosed with this Information Booklet. You can request an updated options letter from Datacom at any time using the contact details set out on page 12.

Pension for your spouse or Nominee

Under some of the Contributors Schemes, provided each pension would not be less than the Minimum Pension, you may elect, at retirement, to surrender a portion of your pension in order to provide a pension for your spouse or (for Members who joined a Contributors Scheme after 1 April 1980) your **Nominee**, either immediately or after your death.

The liability to pay any such pension will be transferred to the Scheme, together with the liability to pay your pension.

Minimum payment

Under some of the Contributors Schemes, the total value of the pension payments which you are entitled to receive will not be less than:

- your own contributions and earnings on those contributions; and/or
- the present value of the pension payments for the first five years.

If either, or both, of the above apply to you, details will be set out in the options letter referred to above and the liability to pay the minimum amount will be transferred from the relevant Contributors Scheme to the Scheme, together with the liability to pay your pension.

No right to sell or mortgage

There is no right to sell, assign, charge, borrow against, transfer, or obtain payment of a Member's interest in the Scheme.

Benefit payments

Pensions are paid at 4-weekly intervals, or as the Board may direct.

As at the date of this Information Booklet, it is not possible to quantify the amount of any benefit or other payment to you under the Scheme.

A lump sum payment will be made as soon as practicable after you, or your Nominee or estate, become entitled to it.

9. Who do I contact with inquiries about my investment?

Your Scheme's administrator is Datacom, whose staff will be pleased to assist you with any inquiries you may have regarding the terms of the Scheme.

Datacom can be contacted at either of the following addresses:

P O Box 1036
Wellington 6140

or by calling between 8.30am and 5.00pm on business days toll free on 0800 628 776 or +64 4 381 0600.

10. Is there anyone to whom I can complain about my investment?

Complaints about the Scheme should, in the first instance, be made to Datacom at either of the following addresses:

P O Box 1036
Wellington 6140

or by calling between 8.30am and 5.00pm on business days toll free on 0800 628 776 or +64 4 381 0600.

Complaints can also be made to the Board of Trustees of the National Provident Fund at:

Level 12
The Todd Building
95 Customhouse Quay
Wellington 6011

Email: enquiries@npf.co.nz

The Board is exempt from any requirement under the Financial Service Providers (Regulation and Dispute Resolution) Act 2008 to be a member of a dispute resolution scheme and, as such, there is no approved dispute resolution scheme to which complaints about the Scheme can be made.

You can complain to the Ombudsman about any decision or recommendation made, or any act done or omitted by the Board relating to the administration of the Scheme at:

The Ombudsman
Level 7
70 The Terrace
PO Box 10152
Wellington 6143

Telephone: 0800 802 602

Email: info@ombudsman.parliament.nz

Online:

<https://www.ombudsman.parliament.nz/get-help-public/make-complaint-members-public>

11. What other information can I obtain about this investment?

This Information Booklet sets out only a summary of some of the terms of the Scheme. The following documents give you more information about the Scheme:

- the Trust Deed;
- the latest summary annual report;
- the latest full financial statements; and
- the most recent triennial actuarial examination of the Scheme.

You may view the Trust Deed, the summary annual report and the full financial statements on our website – www.npf.co.nz by searching under “Schemes” and then “Scheme Information”.

Annual information for the Scheme

Each year you will be sent a copy of the Scheme’s summary annual report.

Information that you may request

Copies of the Trust Deed and the most recent triennial actuarial examination of the Scheme required under the Act may be purchased from Datacom for \$10 each.

You may also request Datacom to provide you with the following information free of charge:

- a copy of the latest summary annual report and/or the latest full financial statements for the Scheme;
- a statement of the interest and other assumptions and bases of calculation used by the actuary for the purposes of a triennial actuarial examination of the Scheme;
- a copy of the latest Information Booklet for the Scheme; and
- any information required to be disclosed by the Privacy Act 2020.

Requests to Datacom for information should be made in writing to its address set out on page 12 or by calling toll free between 8.30am and 5.00pm on business days on 0800 628 776.

12. Who is eligible to join and how to join the Scheme?

If you elect or become entitled to receive a pension under a Contributors Scheme you will automatically become a Member of this Scheme.

Financial advice

In considering whether to join this Scheme you may wish to seek the advice of a professional financial advisor. Financial advisors are regulated by the Financial Markets Authority. Information on choosing an advisor can be found on their website at **www.fma.govt.nz**.

Neither the Board nor Datacom are authorised to provide financial advice.

If you require further information on any aspect of the Scheme, please contact Datacom toll free between 8.30am and 5.00pm on business days on 0800 628 776 or write to Freepost 1060, P O Box 1036, Wellington 6140.

Glossary

In this Information Booklet, words stated in bold are defined terms. Defined terms will only appear stated in bold the first time they are used in this Information Booklet. From then on, they will be capitalised.

The below terms will have the meaning ascribed to them in this table when used in this Information Booklet. The singular includes the plural and vice versa.

Term	Definition
Act	means the National Provident Fund Restructuring Act 1990.
Annuitas	means Annuitas Management Limited, which provides management services to the Board.
Board	means the Board of Trustees of the National Provident Fund. The Board is the Trustee of the Scheme.
Contributors Scheme	means one of the following National Provident Funds: Pension National Scheme; Lump Sum National Scheme; Meat Industry Scheme; Meat Industry Related Trades Scheme; Ships' Officers Scheme; Pension Cash Accumulation Scheme; Lump Sum Cash Accumulation Scheme; National superannuation scheme for Farm Workers; Post-60 Scheme; Staff Pension Scheme; Level Premium Scheme and Annual Single Premium Scheme.
Crown	means His Majesty the King in right of New Zealand.
Datacom	means Datacom Connect Limited who has been appointed by the Board to administer the Scheme.
FMC Act	means the Financial Markets Conduct Act 2013.
Global Asset Trust	means the National Provident Global Asset Trust. The Board is the trustee of the Global Asset Trust and the Scheme invests only into the Global Asset Trust.
Information Booklet	means this information booklet for the Scheme.
Investment return	means the returns on the assets of the Scheme from its investment in the Global Asset Trust less the fees, expenses and tax incurred as determined by the Board.
Member	means a member and/or beneficiary of the Scheme.
Minimum Pension	means an amount the Board decides from time to time as the minimum annual pension. As at the date of this Information Booklet the Minimum Pension is \$1,042.86 per annum.
Nominee	means the person nominated by you, at or before retirement, to receive benefits from your Benefit Credit either immediately or after your death.
Scheme	means the National Provident Pension Scheme.
Superannuation Scheme	means a superannuation scheme registered under the FMC Act.
Trustee	means the Board acting in its capacity as trustee of the Scheme.
Trust Deed	means the trust deed for the Scheme first entered into by the Board on 20 April 1999, as amended and restated.



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