



AUSTRALIAN
CONSTRUCTION
INDUSTRY
REDUNDANCY
TRUST

member information

VALID AS AT APRIL 2008
(Includes Member Application form)

Building a Secure And Better Future



Building A Secure and Better

A joint Employer/Trade Union initiative providing security of payment for employees' entitlements

What is ACIRT?

ACIRT is the Australian Construction Industry Redundancy Trust. A national fund established in response to an initiative from the construction unions, their members and employers to create security of payment for employee's redundancy entitlements. The fund enables employers to fund their employees' redundancy entitlements, as provided for under the various industrial awards and enterprise agreements through the payment of weekly contributions paid monthly into the Fund.



Future for you

What are the Benefits?

ACIRT has been designed and structured to provide the following benefits:

- ACIRT is a National Fund.
- It provides security of members' redundancy entitlements because the members accrued redundancy entitlement is safe in the event of an employers insolvency.
- It provides for contribution flexibility. Employers can pay the minimum contribution of \$25 per week until the award redundancy entitlement is funded, or they can elect to make higher contributions to provide employees with higher redundancy entitlements, as agreed to between the employer, the relevant trade unions and employees through enterprise agreements.
- ACIRT will generally distribute all its annual income to Members as a Trust Distribution. This is mailed to members in July each year.

The income that members receive is calculated in much the same way as many bank accounts, thus is calculated on the members ACIRT daily balance.

The annual income distribution is taxable in the hands of the members who are required to declare such payments as part of their yearly assessable income.

- Redundancy benefits and productivity (if any) are paid directly to the member by ACIRT by cheque or electronic fund transfer to a bank account in the members name.
- ACIRT also has a 'funeral benefit' of up to \$6,500 for 'eligible' deceased members. Dependants, family members or other claimants must demonstrate financial hardship.



Who Controls ACIRT?

ACIRT is governed by a Trust Deed, which established the Fund in October 1994.

The trustee of ACIRT is a company called ACIRT PTY LIMITED. It has a Board of Directors with equal Trade Union and Employer representation.

At present, employee directors have been appointed by the Australian Council of Trade Unions (ACTU), the Construction Forestry Mining and Energy Union (CFMEU), the Australian Manufacturing Workers Union (AMWU), the Australian Workers Union (AWU), and the Communications, Electrical & Plumbing Union (CEPU). Employer directors have been appointed by the Master Builders Association (NSW), the Australian Industry Group (AIG), the Civil Contractors Federation (CCF) and the Master Plumbers and Mechanical Contractors Association - NSW (MP&MCA).

The trustee has appointed a professional administrator to ensure that the Fund is administered efficiently. ACIRT has also appointed independent investment advisers who review the performance of all investment managers. The Trustee has adopted a formal investment policy statement.

How does it work?

On joining ACIRT, a separate Member Account is established for each member. All redundancy contributions made by a participating employer are allocated into this account.

No monthly or annual charges are deducted from member accounts. However, a small fee (currently \$6) is charged if a member requests payment of their benefit by electronic funds transfer into a nominated bank, building society account etc.



How do I claim my benefit?

Annual Income Distribution

No action is required. If a member is eligible a cheque will be mailed to their current valid address during July each year.

Members will only receive a distribution if their account balance during the year accrues income of \$50.00 or more. This amount is deemed the 'notional' annual administration fee per member ACIRT pays to our external administrator.

The annual income distribution must be declared as assessable income in each members income tax return for the year ended (ie. June) even though members will only receive the cheque in July.

No tax is deducted from these distributions by the administrator where a Tax File Number 'TFN' has been provided.

However, failure to provide a TFN will result in the distribution being taxed at the highest marginal rate.

Redundancy

On becoming redundant, Members are entitled to be paid a redundancy benefit of the accumulated employer contributions in their account.

Redundant is defined in the Trust Deed as:

'The termination or cessation of employment of the member for any reason'.

Some members may also have accumulated 'Productivity' contributions accrued before 1 January 2002.

This type of employer contribution ceased from the above date. If applicable, these are treated as additional redundancy contributions, payable only on termination.



Payment of Benefits

Upon the employer and/or the member providing the administrator with the necessary details ie. completed claim form and relevant documents, then the redundancy benefits and/or the productivity contributions (if any) will be paid directly to the member either by cheque or electronic fund transfer, whichever method of payment is nominated on the claim form. The administrator will generally process payment within 3 business days from receipt of the completed claim form.

Employers or members can lodge the claim form with the administrators by facsimile, mail or by hand delivery to one of the listed offices of the Fund administrator.

Taxation - Member

Redundancy payments from ACIRT are classified as “Employment Termination Payments” (ETPs) and are subject to the following tax rates (which includes the Medicare levy), which will be deducted by the Fund administrator.

Under 55 years of age - 31.5%

Over 55 years of age - 16.5%

If you are over the age of 55, other termination and superannuation payments may affect the applicable tax rate.

Members on low incomes may receive a tax refund if their marginal tax rate is less than the tax rate deducted.

What is an ETP?

An ETP is a lump sum payment made in consequence of termination of employment, generally within 12 months of the termination.



What is an ETP Cap Amount?

The ETP cap amount is an amount calculated each year and determines how much of the taxable component of the ETP is taxed at the aged based reduced rates. The ETP cap amount for 2007/2008 is \$140,000 and is indexed each year.

Can a Member Rollover their ETP?

The rules relating to ETP's have been substantially re-written as a result of the removal of the RBL's. Only 'transitional ETP's' paid after 1 July 2007 can be rolled into a super fund. Transitional ETP's are ETP's provided for in employment contracts, relevant laws or enterprise agreements as at 9 May 2006 if the amount can be calculated. In addition, the ETP must be paid between 1 July 2007 and 1 July 2012.

ACIRT members who have significant redundancy benefits should consider obtaining advice before payment of their ETP, particularly if they are seeking to rollover into a super fund.

If your ETP is rolled over, no tax is deducted by ACIRT. The amount rolled over will however be subject to a 15% tax by the Superannuation Fund.

Administrator

The Trustee's policy is to appoint a professional administration company which specialises in the administration of Redundancy funds like ACIRT.

Fund Earnings and Expenses

The Fund is a form of investment and so returns may fluctuate.

The Fund must be able to meet its redundancy payment obligations before any distributions of income can occur. In addition, all expenses must be paid before there is income available for distribution to members.



Expenses will include:

- Administration fees;
- Directors fees and out of pocket expenses;
- Investment Advice and other consulting fees;
- Investment management fees;
- Audit fees, secretarial and legal expenses;
- Salaries, on-costs and other operating expenses.

The administration fee is levied as a weekly fee per active Member Account. This is deducted from Fund income. However, a small fee is charged to the member, if the member elects to have any benefit paid by electronic funds transfer.

No fees (other than bank charges) are payable on contributions to ACIRT or on payment of benefits from ACIRT. The Trustee does not make a profit. However, director's fees are paid to compensate for time spent managing the Fund.

What Information will I receive from the Fund?

As a member, you will receive the following information:

- A benefit statement every 4 months which will be mailed to your last known address. This statement will show all redundancy and productivity contributions (if applicable) and any benefit payments.
- An annual distribution cheque (if greater than the minimum amount, currently \$50) together with taxation information.
- An annual report.



Audited Accounts

A member is entitled to receive (on request) a copy of the latest Audited Accounts. To obtain a copy, please contact the ACIRT Administrator.

Can I transfer other Redundancy Fund benefits into ACIRT?

Members can transfer the benefits they have accumulated with another Redundancy Fund into ACIRT as long as that fund is an 'Approved Worker Entitlement Fund'. Members can thus gain the benefit of a larger income distribution due to their higher account balance.

Members should check with their current Fund to ensure they are an 'Approved Fund' and have a provision for such a transfer. If you wish to transfer your benefits from another Redundancy Fund into ACIRT you will need to complete a transfer request form, available from the Fund administrator.

How do I join ACIRT?

By completing the attached Application Form and handing it to your employer, who will send it to our administrator with their next contribution return.

Upon our administrators receiving this Application Form, you will be sent a membership card and other relevant information. If you require any further information, please contact the Fund administrator on 1800 060 467.

Other Important Information

Investment Policy

ACIRT currently invests in Australian and Overseas Fixed Interest, Listed Property, Cash and Australian and Overseas equities. The investments of ACIRT are managed on behalf of the Trustee by:

- AMP Global Investors,
- BT Investment Management,
- Barclays Global Investors,
- Legg Mason Asset Management,
- Macquarie Investment Management,
- ING Funds Management,
- Dimensional DFA Australia and
- GMO Investment Managers.

Objective:

The primary objective is to preserve the value of the members capital.

The secondary objective is to achieve an annual surplus, pay a distribution to members and outperform the benchmarks over rolling annual periods.

Asset Mix:

The typical asset mix will be 65% invested in cash/ debt securities and 35% invested in growth assets.

Risks:

The returns and capital value of the equity assets may fluctuate. However, the risk associated with the cash/ debt securities should be low.



Asset Allocation

An important part of setting any investment strategy is deciding how much to invest in the various types of financial assets. The Trustee has appointed a professional investment adviser who regularly review ACIRT's asset allocation and investment manager performance. The Trustee has adopted a formal Investment Policy Statement.

Derivatives

Derivatives such as futures and options (financial instruments derived from physical securities such as shares) can be useful investment tools if employed with care.

Because of their low purchase price, they can be used for gearing - that is to achieve higher exposure to markets than would be possible if the physical securities were purchased. ACIRT does not permit any manager to gear its portfolio but does permit managers to use derivatives for one or more of the following purposes:

- To protect the value of the portfolio (portfolio insurance);
- To change market exposure rapidly;
- To change the duration within fixed interest portfolios;
- To reduce exposure to foreign currency risks.

In the long term, the use of derivatives is expected to increase the Fund's investment returns, although the effect will vary from year to year.

ACIRT Key Audited Financial Information

This information is provided in ACIRT's Annual Report sent to all members each year. Additional copies can be downloaded from our web site www.acirt.com.au.



Building a secure and better **Future** for you

Application for membership

When completing this form, please use **black** pen and print in CAPITAL letters

Member details

C + BUS Membership Number

Mr/Mrs/Miss/Ms

Given Names

Surname

Street Number / PO Box

Street Name

City

State

Postcode

Date of Birth

Phone number

Occupation/Classification

Employer/Company name

Date commenced working with this employer

Preferred beneficiary

Name of Beneficiary

Relationship (Eg. Wife, Son)

Portion of Benefit

Name of Beneficiary

Relationship

Portion of Benefit

Name of Beneficiary

Relationship

Portion of Benefit

Name of Beneficiary

Relationship

Portion of Benefit

Tax File Number

Please note: It is important that you provide your tax file number. Failure to provide it, may cause the administrator to deduct tax at the highest marginal rate, on annual income distribution, redundancy and other benefit payments.

Your Tax File Number

Your right to privacy

ACIRT will collect your personal information for the “primary purpose” of establishing and maintaining your Redundancy Account . We may at times collect information directly from your employer. ACIRT will not misuse or change your information without your knowledge. If you would like to see ACIRT’s Privacy Policy, you can call 1800 060 467 and request a copy or visit our Web site at www.ACIRT.com.au.

Signature of applicant



Date (dd/mm/yyyy)

need further information ?

Call us on Freecall:

1800 060 467



ACIRT Administration Ground Floor, 1A Homebush Bay Drive, Rhodes NSW 2138

Freecall 1800 060 467 **Fax** 1300 655 119



Forfeiture of Benefits

The ACIRT Trust Deed provides for benefits to be forfeited to the Fund Reserve in certain circumstances including:

- Bankruptcy of the member;
- Mental or physical disability of the member;
- The member attempting to assign, mortgage or charge his or her benefit;
- Where members cannot be found and have only small account balances. Income distributions to members may also be forfeited in certain circumstances, for instance where the Trustee has no address for the member at the time of sending income distributions to members, or where the cheque in payment of the income distribution has not been presented.



Member Services

The Trustee strives to achieve the highest possible level of member service. If you have any enquiry or complaint about ACIRT, the Trustee will do its utmost to ensure the matter is resolved quickly and satisfactorily.

Enquiries or complaints can be made by telephone, facsimile, correspondence or personal interview.

You may telephone ACIRT Administration between 8:30 am and 5:30 pm on the **freecall** telephone number **1800 060 467**.

Alternatively, should you wish to make an enquiry in person ACIRT Administration is located at:

**Ground Floor, 1A Homebush Bay Drive,
Rhodes NSW 2138.**

You may call for an interview between 8:30 am and 4:30 pm without an appointment or to ensure prompt attention you may make an appointment by telephoning **1800 060 467**.

Written complaints should have 'Notice of Complaint' written on the letter and be addressed to:

**Fund Secretary
ACIRT Administration
Locked Bag 5040
Parramatta NSW 2124**



ACIRT Privacy Statement

This Privacy Statement outlines the approach that ACIRT Pty Limited, the corporate Trustee of the Australian Construction Industry Redundancy Trust takes in protecting the privacy of your personal information.

This Statement outlines what details we keep about you and why we need these details. This Privacy Statement applies to the corporate Trustee and Australian Administration Services Pty Limited (AAS) our administrator.

The Privacy Amendment (Private Sector) Act 2000 commenced on the 21 December 2001. This Act regulates the way ACIRT and its service providers must handle personal information. Further, the Act contains 10 National Privacy Principles that regulate how ACIRT must collect, store and protect the quality of personal information. They also regulate how ACIRT can use or share personal information with other organisations. These National Privacy Principles form part of our operating administration procedures.

What personal information will ACIRT keep on members?

ACIRT collects personal information from members to administer their accounts. Information collected includes C+Bus membership number, name, address, date of birth, telephone number, occupation, name of ACIRT participating employer and number, beneficiary details and tax file number.

The above personal information is collected when members lodge their 'membership application form', 'changes in membership details' or use our website @ www.acirt.com.au to lodge other data.



Member Access

The ACIRT website has a great facility called Member Access. Member Access gives you the ability to access a range of information regarding your ACIRT account, such as:

- Your current account balance.
- The last 5 years of annual trust distribution history.
- Your employer contribution history.
- Your benefit claims history.

You can also:

- Change your address details.
- Down load benefit claim forms.
- Access informative links.

ACIRT members must register with the fund administrator if they wish to access this service. You will then be given an individual user Id and password which will enable you to access your account.

To register or to obtain further information, please call the ACIRT Administrator on (freecall) 1800 060 467.





Securing Your Information on the Web

When ACIRT captures your personal information, it is passed through our secure server using 128-bit encryption technology. This scrambles your information to ensure it is protected over the Internet.

Nevertheless, members should be aware that there may be inherent risks associated with transmission of information via the Internet. Members who do not wish to use the Internet can provide their information by non-electronic means.

Collection of Browsing Information

When you browse the ACIRT website, our service provider logs the following information for statistical purposes:

- Your server address,
- Top level domain name (for example .com, .gov, .au, .uk etc),
- The date and time of your web-site visit,
- The pages you looked at,
- The documents down-loaded,
- The previous site you visited, and
- The type of browser you used.

ACIRT will not release your personal information unless the law permits it or your permission is given.

The ACIRT website is "cookie free". This means we will not send you any unsolicited information after you accessed our site. We will record your e-mail address if you send us a message, however it will not be added to any mailing list.



Why does ACIRT need your personal information?

The personal information collected on members is used to establish an ACIRT member account where redundancy contributions are processed, benefit payments made and correspondence sent. If you choose not to provide certain personal information, it may mean that we tax any benefits at a higher rate, cannot correspond with you or track you if you become a 'lost member'.

We also use third party service providers (Administration, mailing companies, archiving companies) and other organisations like auditors and the Australian Tax Office who receive or have access to certain personal information. With the exception of the Tax Office, contracts are in place to protect your information by these organisations.

You have access to your information

Under the 10 National Privacy Principles, you can access most of the personal information we hold about you and request corrections. To obtain this information, please contact ACIRT to ask them for your personal details. In certain limited circumstances, some or all access may be denied. If this applies to you, ACIRT will explain the reason.



Contact Us

If you have any query relating to our privacy policies or have a complaint regarding your privacy, you can:

1. e-mail us on parker_acirt@hotmail.com
2. contact our administrators on the freecall telephone number 1800 060 467
3. visit ACIRT at Ground Floor,
1A Homebush Bay Drive, Rhodes NSW 2138 or
4. write to ACIRT at
Locked Bag 5040,
Parramatta, 2124.

If you are unsatisfied with the resolution of any complaint, you can refer the matter to the Privacy Commissioner by calling 1300 363 992.



ACIRT Pty Ltd
ABN 31 773 602 307

Trustee Administration

ACIRT ABN 39 062 330 170

NSW Ground Floor, 1A Homebush Bay Drive,
Rhodes NSW 2138

QLD Level 8, IBM Building
348 Edward Street
Brisbane QLD 4000

TAS Level 4, Reserve Bank Building
111 Macquarie Street
Hobart TAS 7000

VIC Level 9, 333 Collins Street
Melbourne, VIC. 3000

SA Shell House, 170 North Terrace
Adelaide, SA. 5000

WA Level 2, 118 Bennett Street
East Perth, WA. 6004

ACIRT Administration

Locked Bag 5040
Parramatta NSW 2124

Registered office:

Ground Floor, 1A Homebush Bay Drive,
Rhodes NSW 2138

ACIRT National Co-ordinator:

Dennis Matthews
Ground Floor, 1A Homebush Bay Drive,
Rhodes NSW 2138
T: (02) 8571 5438 M: 0418 206 989
Email: dmatthews_acirt@hotmail.com

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