Product disclosure statement

Offer of membership of the Police Superannuation Scheme

Issued by PSS Trustees Limited

8 November 2024

This document replaces the product disclosure statement dated 13 November 2023.

This document gives you important information about this investment to help you understand this investment. There is other useful information about this offer at disclose-register.companiesoffice.govt.nz. PSS Trustees Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

PSS Police Super Scheme

1 | Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. PSS Trustees Limited (**us**/**we**) will invest your money and charge you a fee for our services. The returns you receive are dependent on the investment decisions of PSS Trustees Limited and of its investment manager and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

The Police Superannuation Scheme (**scheme** or **PSS**) offers six investment options.

These investment options are summarised below. More information about the investment target and strategy for each investment option is provided in section 3 on page 10.

High Growth

High Growth invests mainly in shares. It aims to provide higher-level returns with an associated higher level of risk than the other options.

Risk indicator

1	2	3	4	**5**	6	7

Potentially lower returns
Lower risk

Potentially higher returns
Higher risk

Estimated fees for High Growth

Fund charges	0.39% p.a. of the option's net asset value
Standard withdrawal fee	$82.66 per withdrawal
First-home withdrawal fee	$257.04
Other charges	Administration fee of up to $66 p.a.

Growth

Growth is split 80:20 between growth assets (such as shares) and income assets (such as fixed interest and cash). It aims to provide high-level returns with an associated relatively high level of risk.

Risk indicator

1	2	3	4	**5**	6	7

Potentially lower returns
Lower risk

Potentially higher returns
Higher risk

Estimated fees for Growth

Fund charges	0.39% p.a. of the option's net asset value
Standard withdrawal fee	$82.66 per withdrawal
First-home withdrawal fee	$257.04
Other charges	Administration fee of up to $66 p.a.

See section 4 on page 12 for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at policesuper.co.nz.

Balanced

Balanced is split 60:40 between growth assets (such as shares) and income assets (such as fixed interest and cash). It aims to provide medium-level returns with an associated moderate level of risk.

Risk indicator

1	2	3	**4**	5	6	7

Potentially lower returns
Lower risk

Potentially higher returns
Higher risk

Estimated fees for Balanced

Fund charges	0.36% p.a. of the option's net asset value
Standard withdrawal fee	$82.66 per withdrawal
First-home withdrawal fee	$257.04
Other charges	Administration fee of up to $66 p.a.

Stable

Stable is split 20:80 between growth assets (such as shares) and income assets (such as fixed interest and cash). It aims to provide relatively stable returns with low to medium risk.

Risk indicator

1	2	**3**	4	5	6	7

Potentially lower returns
Lower risk

Potentially higher returns
Higher risk

Estimated fees for Stable

Fund charges	0.30% p.a. of the option's net asset value
Standard withdrawal fee	$82.66 per withdrawal
First-home withdrawal fee	$257.04
Other charges	Administration fee of up to $66 p.a.

Cash Plus

Cash Plus invests 100% in short-term fixed interest and cash. It aims to maintain capital and provide stable, positive returns.

Risk indicator

1	**2**	3	4	5	6	7

Potentially lower returns
Lower risk

Potentially higher returns
Higher risk

Estimated fees for Cash Plus

Fund charges	0.19% p.a. of the option's net asset value
Standard withdrawal fee	$82.66 per withdrawal
First-home withdrawal fee	$257.04
Other charges	Administration fee of up to $66 p.a.

Super Steps (default option)

With Super Steps, your contributions and account balances are invested automatically in one or a combination of Growth, Balanced or Stable depending on your age. The underlying principle is to reduce your risk/return profile progressively over time using these options as building blocks.

With Super Steps, you will be invested in Growth until you reach the age of 45. From that age, your investment mix will change automatically each year.

Age	Growth %	Balanced %	Stable %
Under 45	100	-	-
45	85	15	-
46	70	30	-
47	55	45	-
48	40	60	-
49	25	75	-
50	10	90	-
51	-	98	2
52	-	90	10
53	-	83	17
54	-	75	25
55	-	68	32
56	-	60	40
57	-	53	47
58	-	45	55
59	-	38	62
60	-	30	70
61	-	23	77
62	-	15	85
63	-	8	92
64+	-	-	100

Risk indicators

The risk/return profile of Super Steps changes depending on the proportion of your savings invested in Growth, Balanced and Stable at any given time. The overall fund charges also change. Here are examples at ages 49, 54 and 59.

Age 49

1	2	3	**4**	5	6	7

← Potentially lower returns
Lower risk

Potentially higher returns →
Higher risk

Estimated fees for age 49	
Fund charges	0.37% p.a. of the option's net asset value
Standard withdrawal fee	$82.66 per withdrawal
First-home withdrawal fee	$257.04
Other charges	Administration fee of up to $66 p.a.

Age 54

1	2	3	**4**	5	6	7

← Potentially lower returns
Lower risk

Potentially higher returns →
Higher risk

Estimated fees for age 54	
Fund charges	0.35% p.a. of the option's net asset value
Standard withdrawal fee	$82.66 per withdrawal
First-home withdrawal fee	$257.04
Other charges	Administration fee of up to $66 p.a.

Age 59

1	2	3	**4**	5	6	7

← Potentially lower returns
Lower risk

Potentially higher returns →
Higher risk

Estimated fees for age 59	
Fund charges	0.32% p.a. of the option's net asset value
Standard withdrawal fee	$82.66 per withdrawal
First-home withdrawal fee	$257.04
Other charges	Administration fee of up to $66 p.a.

Who manages the scheme?

The scheme's manager is PSS Trustees Limited. See section 7 on page 14 for more information.

How can you get your money out?

Generally, you won't be able to access your savings until you leave Police. However, early withdrawals are permitted in limited circumstances. Withdrawal rights include the following:

- Full withdrawal if you:
  - leave the service of Police for any reason
  - are not a standard constabulary entrant or recruit and are 50 years old or over.
- Partial withdrawal if you have completed 3 years' Police service.
- First-home withdrawal if you have been a member of the scheme, a complying fund or a KiwiSaver scheme for at least 3 years.
- Early access to benefits:
  - if you are suffering significant financial hardship
  - to settle a division of relationship property
  - on attaining the age of 65.

You may use your benefit as security for a loan. However, the lender is not entitled to make a claim against the scheme until a benefit becomes payable. The loan agreement must include a term to this effect. See section 2 on page 9 for more information.

How will your investment be taxed?

The scheme is registered as a multi-rate portfolio investment entity (PIE). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR, go to https://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. See section 6 on page 14 for more information.

Where can you find more key information?

We are required to publish annual updates for each investment option. The updates show the returns and the total fees actually charged to investors during the previous year. The latest fund updates are available at policesuper.co.nz. We will also give you copies of those documents on request.

Contents

2 | How does this investment work?

This product disclosure statement is for membership of the Police Superannuation Scheme – a restricted workplace savings scheme registered under the Financial Markets Conduct Act 2013. The term 'restricted' refers to the fact that membership is limited to Police staff. The scheme is a trust and is governed by a trust deed (trust deed).

The main purpose of the scheme is to provide retirement benefits to members on leaving Police and for their dependants if a member dies while still a member or in such other circumstances for which provision is made under the trust deed.

We are responsible for administering the scheme and overseeing its investments. We determine the investment options that are available to you and, currently, invest all of the scheme's assets in funds within Mercer Investment Trusts New Zealand (MITNZ). Professional investment managers are appointed to manage the assets of MITNZ either directly or via external investment vehicles.

Our policy is to avoid, where practicable, investment in companies whose activities are contrary to the intent of New Zealand legislation or various international agreements to which New Zealand is a signatory (for example, cluster munitions and tobacco products). However, as we invest via MITNZ, we have no direct influence on individual securities held. Nonetheless, we will regularly question Mercer (N.Z.) Limited (Mercer), who implements our investment in MITNZ, and expect Mercer to be a signatory to the United Nations-supported Principles for Responsible Investment and incorporate responsible investment considerations into its investment process.

The scheme currently provides six investment options for you to invest in. You can choose one (or more) of five options each with a different mix of assets and risk/return profile. These options are High Growth, Growth, Balanced, Stable and Cash Plus. The sixth option is Super Steps, where the mix of your investments changes automatically based on your age.

Your contributions and any contributions made by the Commissioner of Police (employer) on your behalf are invested in the investment option(s) you choose and are divided into units. A unit represents a share in a particular investment option.

Your money is pooled with other members' money and, through an investment in MITNZ, invested in assets, such as shares, fixed interest and cash. Your units do not give you legal ownership of the assets of an investment option but do give you the right to the returns from those assets.

The value of your units depends on the value of the investment option(s) you have chosen at that time. A change in the value of the assets of your chosen investment option(s) – and the applicable taxes, fees and expenses attributable to the investment option(s) – affects the value of your units. In other words, the value of your units will change as the market value of the assets of your chosen investment option(s) changes. This means that the value of your investment in the scheme may rise or fall. See our register entry at disclose-register.companiesoffice.govt.nz for information on our unit pricing policy.

An investment option's assets are available to be applied to meet other liabilities of the scheme. However, we believe it is very unlikely this will occur unless there are extreme or catastrophic unforeseen circumstances.

Joining the scheme

You must be a permanent Police employee to join the scheme. This includes permanent part-time employees.

Recruits and new constabulary employees

Membership is compulsory for recruits and new constabulary employees. If you are an employee of Police in training to become a constabulary employee, you will be required to join the scheme as a recruit when you enter Police College. You will become a standard constabulary entrant automatically on graduating.

Police employees

Membership is voluntary if you are a Police employee and not otherwise required to be a member. This includes authorised officers. In this case, you can join the scheme as:

- an **optional entrant** – employer contributions will be paid on your behalf, but these will come from within your existing total remuneration
- a **savings contributor**, making member contributions only (i.e. Police will not match your contributions).

Former Traffic Officers

If you are a former Traffic Officer who is also a contributing member of the Government Superannuation Fund (GSF) or the National Provident Fund (NPF), you can join the scheme as a:

- **special entrant** – employer contributions will be paid, but the rate varies depending on your individual circumstances
- **savings contributor** (see above).

Optional entrants and special entrants may later elect to change their membership and become savings contributors with effect from 1 April each year by giving written notice to us.

Complete the *Membership form* at the end of this product disclosure statement to join the scheme.

Making investments

Two accounts are opened in your name when you join the scheme:

- Your **member's account**, which is for your contributions.
- Your **employer's account**, which is for any contributions your employer makes on your behalf.

Your contributions are arranged through Payroll as regular deductions from your fortnightly pay and will normally continue until you leave Police. Your contributions are credited to your member's account.

This table shows the minimum contribution rates depending on your membership category.

Membership category	**Minimum contribution rate** (as % of salary)	
	Member (credited to member's account)	Employer (before deduction of contribution tax)
Recruit/standard constabulary entrant	7.5%	15.2%
Optional entrant	6.0%	12.5% (paid from your existing total remuneration)
Savings contributor[1]	4.0%	Nil
Special entrant	1.0% (GSF members) 2.5% (NPF members)	Contact your Payroll Officer for details of the employer contributions

Contribution tax is deducted from employer contributions before they are credited to your employer's account. See page 14 for details.

You can make voluntary contributions in addition to the minimum contributions shown in the table on page 7 as regular deductions from your pay. You can nominate a percentage of salary of 1% or more. However, the maximum amount of voluntary contributions must not exceed 10% of your salary. Police will not match any additional voluntary contributions you make.

Voluntary contributions are credited to your member's account and are subject to the same rules for in-service withdrawals as your regular member contributions (see *Partial withdrawals and in-service benefits* in the next column).

Standard constabulary entrants, recruits and special entrants can start making or change additional voluntary contributions by completing the *Voluntary contributions form* and returning it to Payroll.

Optional entrants and savings contributors can start making or change additional voluntary contributions (optional entrants) or change your contribution rate (savings contributors) by completing the *Vary contributions form* and returning it to Payroll.

If you are a standard constabulary entrant or a recruit, you can only suspend contributions if you are on leave without pay.

If you belong to another membership category, you may suspend your contributions for a period agreed between you and your employer. This is only an option if, in your employer's opinion, you are suffering hardship. We will also need to give our consent. If your contributions are suspended, employer contributions (if any) will also be suspended. You may also suspend contributions if you are on leave without pay.

If you are entitled to benefits from another superannuation scheme, you may transfer the value of those benefits into the scheme with our agreement.

We can only accept the transfer if the payment is made direct from your current superannuation scheme into the PSS. If you want to transfer a benefit from another scheme into the PSS, the first step is to contact the provider of that scheme. They will contact Mercer and arrange for the transfer to be made.

The money transferred to the scheme will be credited into your member's account and will be subject to the same rules for in-service withdrawals as your regular member contributions.

We cannot accept transfers from UK pension schemes, KiwiSaver schemes, complying superannuation funds or Australian superannuation schemes.

Withdrawing your investments

Benefits are paid from the scheme in the following circumstances and subject to the following conditions.

Benefits when you leave service

When you leave service, you will be paid the balance of your member's account and your employer's account (if you have one). The benefit is the same whatever the reason you are leaving. This includes retirement, resignation, dismissal, redundancy, medical disengagement or death.

If you leave service for any reason other than death, you can choose to remain a member of the scheme instead of being paid out. If you do this, you have the option to make partial withdrawals at any time or make regular withdrawals through a regular withdrawal facility (subject to conditions).

If you die while you are a member of the scheme, we will pay your benefit to your executors (if you have a will) or the administrators of your estate (if you do not have a will).

Benefits while you remain in service

If you are a standard constabulary entrant or recruit, you cannot generally withdraw from the scheme while in service. If you belong to another membership category, you may elect to withdraw from the scheme while you are in service from age 50. The benefit payable will be your leaving benefit.

Under the following circumstances, any member can make a withdrawal while still in service.

Partial withdrawals and in-service benefits

The scheme is designed to help you save for the long term. However, once you have completed:

- 3 years' Police service and remain in service, you may apply to make one withdrawal each scheme year (1 April to 31 March) (**partial withdrawal**)
- 20 years' service or attain the age of 45 years and remain in service, you may apply to receive a once-only **in-service benefit**.

At our sole discretion, we may place limits on withdrawal amounts in relation to partial withdrawals and in-service benefits.

Our current policy is that the following maximums will apply to partial withdrawals and in-service benefits:

- The total amount available is up to the balance of your member's account at the date your request is processed.
- Each amount you withdraw under these benefits will be expressed as a percentage of the total amount available on the occasion of that withdrawal.

[1] The minimum contribution rate for savings contributors depends on when you joined the scheme – 4% of salary if you joined on or after 1 April 2008 or 2% of salary if you joined before that date.

- When the aggregate sum of all withdrawals under these benefits reaches 100%, all subsequent withdrawals will be limited to 5% of your entitlement.
- The aggregate of 100% may be attained over a series of withdrawals during a period of years or could apply after a single withdrawal of your maximum entitlement.
- The above percentages will apply to your entitlement balance at the date the withdrawal is processed.

If you request an in-service benefit but become entitled to another benefit prior to the payment of your in-service benefit, you will no longer be entitled to the in-service benefit.

We may suspend the availability of partial withdrawals and in-service benefits if we consider that making them available could jeopardise the scheme's registration under the Financial Markets Conduct Act 2013.

We may change the minimum and maximum amounts that apply to partial withdrawals and in-service benefits. Generally, any money transferred into the scheme on your behalf will be subject to our policy on partial withdrawals and in-service benefits.

First-home withdrawal

You may apply for a first-home withdrawal benefit in the following circumstances:

- You wish to purchase a first home or, in special circumstances, a second home and have not previously made a first-home withdrawal from the scheme, a complying fund or a KiwiSaver scheme.
- You have contributed to the scheme or been a member of one or more KiwiSaver schemes or complying funds for at least 3 years.

If we consent to the withdrawal, the amount payable is a maximum of the balance of your member's account and your employer's account less any amounts prescribed by the KiwiSaver Act 2006 and less any amounts claimed against the scheme by a lender in relation to whom you have used your benefit as security.

Significant financial hardship

You may apply for a hardship benefit if you have suffered or are suffering from significant financial hardship. It is not an automatic benefit. You will need to have explored all other options and generally have sought budgeting advice.

We have adopted guidelines to help us consider applications. Contact us for details of these or visit the website. The amount payable is at our discretion. It will not exceed the amount that would have been paid had you left service on the date you applied for a hardship benefit. Any payment is made first from your member's account and any remainder from your employer's account.

You'll find the form you need to claim a benefit at policesuper.co.nz.

Relationship property settlements

You may apply to make a withdrawal from the scheme to settle a division of your relationship property in favour of your former spouse or partner.

Your application must be supported by a copy of either a court order or an agreement between you and your former spouse or partner under the Property (Relationships) Act 1976.

To comply with the trust deed, the wording of the agreement or court order needs to be quite specific – see the *Relationship property settlement form*.

The maximum amount payable under the trust deed for a property relationship benefit depends on whether you provide a court order or a written agreement:

- 100% of your leaving benefit under a court order.
- 50% of your leaving benefit under an agreement.

Any payment is made proportionally from your member's account and your employer's account.

Age 65 withdrawal

From age 65, you may withdraw some or all of your savings while remaining in service. Your contributions and any contributions Police makes on your behalf will continue as normal. If you make a partial withdrawal, funds will be paid from your member's account with any remaining portion paid from your employer's account. This benefit is subject to any conditions we may determine from time to time. Our current policy is that withdrawals must be at least $5,000. There is no restriction on the frequency of withdrawals. The standard withdrawal fee will be deducted from your withdrawal benefit for each withdrawal.

We may suspend the availability of age 65 withdrawals if we consider that making them available could jeopardise the scheme's registration under the Financial Markets Conduct Act 2013.

Using your benefit as security for a loan

In some cases, you may be able to use your benefit in the scheme as security for a loan. However, the lender is not entitled to make a claim against the scheme until a benefit has become payable. The loan agreement must include a term to this effect.

If you use your benefit as security for a loan, a charge will be registered against your benefit in the scheme. If a benefit – including a partial withdrawal – is paid from the scheme, the outstanding amount of any charge may have to be paid first.

The scheme is not a lending institution and must follow the rules set out in the Financial Markets Conduct Act 2013 and in the trust deed.

How to change investment options

You can change your investment option(s) at any time by logging in to our website, or you can download an *Investment choice form*, fill it in and send it to Mercer.

You can change your investment strategy as often as you like. In most situations, your change will take effect within a few business days.

The first change in each year running from 1 April to 31 March is free. A fee is charged for any subsequent changes. See policesuper.co.nz for the current fee.

Your change will be actioned by redeeming your units in your existing investment option(s) and issuing new units in the new investment option(s). See page 7 for details on how units are valued.

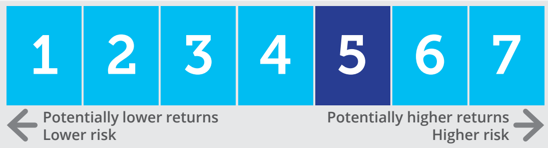
3 | Description of your investment option(s)

This table shows details of each investment option. As the investment mix within Super Steps will adjust automatically each year depending on a member's age, the table also shows examples for investors at ages 49, 54 and 59. Super Steps is the default investment option if you don't tell us how you would like your savings invested when you join the scheme.

Investment option | **Risk indicator**

High Growth

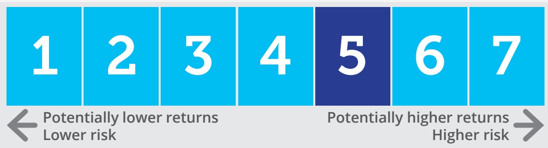
Objective: To provide higher-level returns, with an associated higher level of risk than the other options. High Growth is expected to provide a long-term return after tax and investment expenses of 3.5% p.a. above the inflation rate, with the likelihood of a negative return approximately 1 year in every 4.
Growth/income allocation: This option invests 95% in Trans-Tasman and international shares with 5% invested in income assets (such as fixed interest and cash).



Minimum suggested investment timeframe – 13 years

Growth

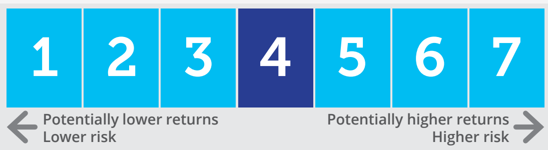
Objective: To provide high-level returns with an associated relatively high level of risk. Growth is expected to provide a long-term return after tax and investment expenses of 3% p.a. above the inflation rate, with the likelihood of a negative return approximately 1 year in every 4.
Growth/income allocation: This option has an 80:20 mix of growth assets (such as shares) and income assets (such as fixed interest and cash).



Minimum suggested investment timeframe – 10 years

Balanced

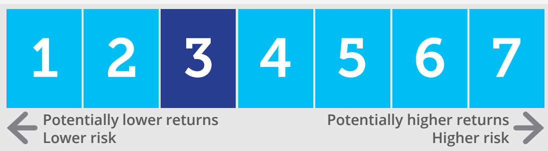
Objective: To provide medium-level returns with an associated moderate level of risk. Balanced is expected to provide a long-term return after tax and investment expenses of 2.5% p.a. above the inflation rate, with the likelihood of a negative return approximately 1 year in every 4.
Growth/income allocation: This option has a 60:40 mix of growth assets (such as shares) and income assets (such as fixed interest and cash).



Minimum suggested investment timeframe – 8 years

Stable

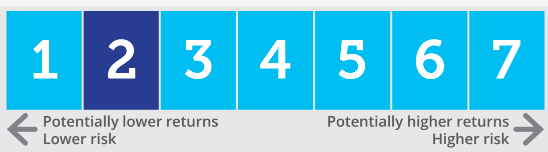
Objective: To provide relatively stable returns with a low to medium level of risk. Stable is expected to provide a long-term return after tax and investment expenses of 1% p.a. above the inflation rate, with the likelihood of a negative return approximately 1 year in every 6.
Growth/income allocation: This option has a 20:80 mix of growth assets (such as shares) and income assets (such as fixed interest and cash).



Minimum suggested investment timeframe – 3 years

Cash Plus

Objective: To maintain invested capital and provide stable returns, with negligible likelihood of experiencing any loss in any year. Cash Plus is expected to provide a return after tax and investment expenses that broadly matches the after-tax return of the S&P/NZX NZ 90-day Bank Bill Index.
Growth/income allocation: This option has no exposure to growth assets and invests only in cash and short-term fixed income assets.



Minimum suggested investment timeframe – no minimum

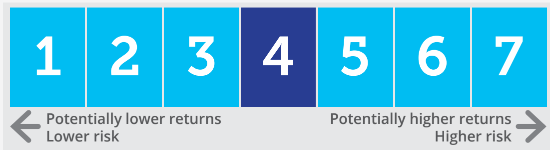
Investment option	Risk indicator

Super Steps

The Super Steps investment mix is as follows for the following stages:

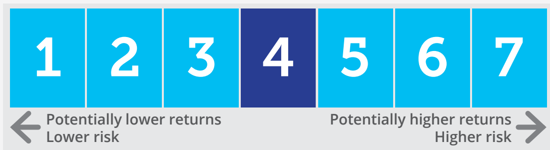
Age 49: 25% Growth, 75% Balanced

Risk indicator for age 49



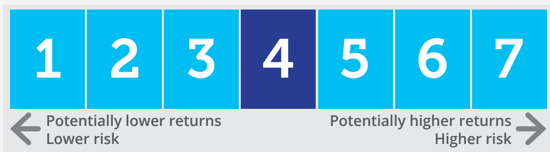
Age 54: 75% Balanced, 25% Stable

Risk indicator for age 54



Age 59: 38% Balanced, 62% Stable

Risk indicator for age 59



The underlying principle of Super Steps is to reduce your risk/return profile progressively over time using the Growth, Balanced and Stable options as building blocks.

With Super Steps, you will be automatically invested in Growth until the age of 45. Each year from the age of 45 to 50, the investment allocation will transition progressively and automatically from mainly Growth to mainly Balanced. Each year from the age of 51 to 64, the investment allocation will transition progressively and automatically from mainly Balanced to 100% Stable. See section 1 on page 4 for details of the transitions.

Minimum suggested investment timeframe – age 49: 8 years, age 54: 6 years and age 59: 5 years

We review the scheme's statement of investment policy and objectives (**SIPO**) regularly. This document sets out the investment policies and objectives for each investment option. The latest version of the SIPO is available on our website and on our register entry at disclose-register.companiesoffice.govt.nz.

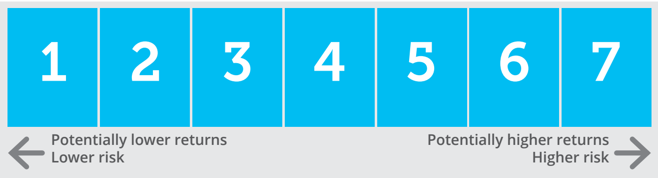
We may change the SIPO from time to time. We will advise you of any changes to the SIPO in either the scheme's annual report or on our website.

Further information about the assets in each fund can be found in the fund updates at policesuper.co.nz.

4 | What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.



The risk indicators for each fund offered by the scheme are shown in the tables in sections 1 and 3.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at policesuper.co.nz/resource/tools-and-calculators/.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (see *Other specific risks* in the next column) that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the 5 years to 30 September 2024. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund updates for each investment option at policesuper.co.nz.

General investment risks

Some of the things that may cause a fund's value to move up and down, which affect the risk indicator, are market risk, investment return risk, currency risk and liquidity risk.

Risk	Description
Market risk	From time to time, market conditions will materially and adversely affect the scheme's investments. Risks related to market conditions include movements in the general price level of an investment, changes in demand and supply in the market or sectors in which an investment is made and changes in political, economic and regulatory conditions.
Investment return risk	Investment assets offering the highest expected long-term returns also carry with them the highest risk. Those investment options in the scheme that have more growth assets (such as shares) are likely to be more risky, and those that have more income assets (such as fixed interest and cash) are likely to be less risky.
Currency risk	Some of the scheme's investments are made in currencies other than New Zealand dollars. While currency fluctuations can affect returns positively, there is also a risk they can affect returns negatively.
Liquidity risk	This is the risk that the scheme may not be able to meet its monetary obligations in a timely manner. This would arise if we are unable to cash up investments in time to pay benefits to members or meet other financial obligations.

Other specific risks

We are not aware of any circumstances that exist or are likely to arise that significantly increase the risk to returns for investors other than circumstances already reflected in the risk indicator.

5 | What are the fees?

You will be charged fees for investing in the scheme.

Fees are deducted from your investment and will reduce your returns. If we invest in other funds, those funds may also charge fees.

The fees you pay will be charged in two ways:

- Regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term.
- One-off fees (for example, withdrawal fees or switching fees).

These fees and charges recover only the expected costs and expenses that are incurred by us in running the scheme and are deducted throughout the year at a level reflecting our best estimate of costs and expenses that will be incurred. An adjustment is made in August each year in the event our best estimates were incorrect.

Investment option	Estimated total annual fund charges (of the net asset value of the fund) p.a.	Other charges*
High Growth	0.39%[2]	Administration fee of up to $66 p.a. per member (regardless of how many investment options you choose).
Growth	0.39%	
Balanced	0.36%	
Stable	0.30%	
Cash Plus	0.19%	
Super Steps	Age 49: 0.37% Age 54: 0.35% Age 59: 0.32%	

The estimated total annual fund charges represent the investment management costs and are reflected in the unit price. They include costs charged in respect of the investment in MITNZ and the investment managers that it uses to invest the assets of the scheme. They also include all charges of the custodians of the funds in which the scheme invests, but exclude trading expenses (such as brokerage fees and spreads).

When calculating total annual fund charges, we may include an estimate of external manager performance fees. However, as a result of the current portfolio composition for Stable, Balanced, Growth and High Growth, estimated performance fees are currently zero.

The fees incurred will depend on the managers selected and their performance. These managers can vary from time to time. Actual fees will fluctuate from these estimates as past performance is not indicative of future performance.

* We determine the administration fee based on the amount necessary to cover the administration costs of running the scheme. The administration fee is paid monthly (up to $5.50 per month) from your employer's account if you have one or from your member's account if you don't. There is normally a small residual amount that is charged to the scheme's reserve accounts.[3]

Police has made an undertaking that Police's annual contributions to the scheme must at least equal scheme administration costs, and therefore, if there is a shortfall for any scheme year, the employer will incur costs (by way of contributions, expense payments or both) in respect of that year at least equal to the amount of the shortfall. In effect, this means that the employer's annual contributions to the scheme must at least equal the scheme's administration costs. At this time, it has no practical significance because employer contributions to the scheme far exceed administration costs.

Various individual action fees

A standard withdrawal fee of $82.66 is payable on each full or partial withdrawal from the scheme. A fee of $257.04 is payable for each first-home withdrawal. These fees are payable from your withdrawal benefit.

An investor may be charged other fees on an individual basis for investor-specific decisions or actions. Further information about these fees can be found at policesuper.co.nz.

Example of how fees apply to an investor

Constable Williams invests $10,000 in Balanced. She is not charged an establishment fee or a contribution fee.

This brings the starting value of her investment to $10,000.

She is charged management fees, which work out to about $36 (0.36% of $10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Over the next year, Constable Williams pays other charges of $66.

Estimated total fees for the first year[4]	
Individual action fees	$0
Fund charges	$36
Other charges	$66

See the latest fund updates for each investment option for an example of the actual returns and fees investors were charged over the past year.

This example applies only to Balanced. If you are considering investing in other investment options in the scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

Fees are set to recover only the expected costs and expenses that are incurred by us in running the scheme and are adjusted by us in August each year or otherwise from time to time as we deem appropriate to reflect our best estimate of the costs and expenses that will be incurred.

We must publish a fund update for each investment option showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at policesuper.co.nz.

[2] The total annual fund charges for High Growth include estimated custody costs of 0.01%. This figure is based on the future assumed growth in the net asset value of this investment option over the longer term.

[3] The reserve accounts hold funds forfeited as a result of members leaving the scheme before 21 October 2010 with less than 3 years' service.

[4] These fees do not include trading expenses (such as brokerage fees and spreads).

6 | What taxes will you pay?

Tax can have significant consequences for investments.

If you have any queries relating to the tax consequences of the investment, you should obtain professional advice on those consequences.

Contribution tax

Employer superannuation contribution tax (ESCT) is deducted from employer contributions before they are credited to your employer's account. The tax rate varies depending on the total amount of:

- your salary and wages in the prior tax year (or an estimate of your income for the current year if you have worked for Police for less than a year)[5]
- employer contributions received during the previous year (or an estimate of those contributions for the current year if you have worked for Police for less than a year).

Total income plus employer contributions	Tax rate (%)
Up to $16,800	10.5
Between $16,801 and $57,600	17.5
Between $57,601 and $84,000	30
Between $84,001 and $216,000	33
$216,001 and over	39

ESCT rate thresholds will change from 1 April 2025.

The new thresholds will be:

Total income plus employer contributions	Tax rate (%)
Up to $18,720	10.5
Between $18,721 and $64,200	17.5
Between $64,201 and $93,720	30
Between $93,721 and $216,000	33
$216,001 and over	39

ESCT is not applied in the same tiered way as personal income tax rates and only one rate applies to the total amount of the employer contribution for each member.

Tax on investment income

The PSS is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to the *Membership form* at the back of this PDS. If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue (IR). It is your responsibility to tell Mercer your PIR when you invest or if your PIR changes. If you do not tell Mercer, a default rate may be applied. Periodically, IR provides us updated PIRs for members that they consider are applying incorrect PIRs, which we must then apply. If the rate applied to your PIE income is lower than your correct PIR you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

7 | Who is involved?

About PSS Trustees Limited

The trustee of the scheme, who is also responsible under the Financial Markets Conduct Act 2013 for managing the scheme, is PSS Trustees Limited. We are owned by the Commissioner of Police (as to 50%) and by the New Zealand Police Leaders' Guild Incorporated and the New Zealand Police Association Incorporated (jointly as to 50%).

We can be contacted via the scheme secretary:

Until 19 December 2024	From 20 December 2024
Derek Vincent	Krissy Winstanley
Email: derek.vincent@mercer.com	Email: krissy.winstanley@mercer.com
Telephone: 04 819 2639	Telephone: 04 819 2615

Or write to:
Scheme Secretary
PSS Trustees Limited
PO Box 2897
Wellington 6140

Who else is involved?

Administration manager

Mercer (N.Z.) Limited

Manages the day-to-day running of the scheme, including maintaining records, paying benefits and liaising with the scheme's advisers.

Provides a limited financial advice service to members.

Scheme secretary

Mercer (N.Z.) Limited

Provides secretarial services to the scheme.

Investment manager

Mercer (N.Z.) Limited

Advises on strategic asset allocation.

Implements our investment in MITNZ and provides certain investment management and reporting services to the scheme.

Acts as manager of MITNZ and appoints underlying investment managers to manage assets of MITNZ.

Investment consultant

Russell Investment Group Limited

Advises on issues relating to investments and helps monitor MITNZ.

[5] Salary and wages includes bonuses, overtime and other pay as well as parental payments and accommodation benefits.

8 | How to complain

Any complaints about your investment in the scheme can be made to us via the Scheme Secretary (see section 7 on page 14).

We are a member of Financial Services Complaints Limited (**FSCL**) – a financial ombudsman service. FSCL is our independent external ombudsman and dispute resolution service approved under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

If you have made a complaint to us and it has not been resolved within 2 months or if you are dissatisfied with the proposed resolution, you can refer your complaint to:

Financial Services Complaints Limited
Level 4
101 Lambton Quay
PO Box 5967
Wellington 6145

Website: fscl.org.nz

Telephone: 0800 347 257

FSCL's service is free of charge to you.

MEMBER OF:

A Financial Ombudsman Service

FSCL FINANCIAL SERVICES COMPLAINTS LTD
RATONGA PŪTEA PUNA MANAAKI

9 | Where you can find more information

Further information relating to the scheme and membership interests in the scheme (for example, financial statements) is available on the offer register and the scheme register, which can be found at disclose-register.companiesoffice.govt.nz. A copy of the information on the offer register and the scheme register is available on request to the Registrar of Financial Service Providers.

Fund updates relating to the scheme and to each of the investment options and other information is available at policesuper.co.nz or on request to Mercer.

You can request information and get answers to your questions by calling the scheme's toll-free helpline.

0800 PSSCHEME (0800 777 243)

There is someone available to take your call any time between 9.00am and 7.00pm, Monday to Friday (excluding public holidays).

You can also contact Mercer by post or email:

Postal address:
Police Superannuation Scheme
PO Box 2897
Wellington 6140

Email: psscheme@mercer.com

If you request a benefit quotation, a fee of $10 per quotation will apply. You can check your account balances at any time for free by logging in to your account at policesuper.co.nz.

All other information can be obtained from the trustee or Mercer without charge.

10 | How to apply

You can apply for membership of the scheme by completing the *Membership form* on the following page and sending it to Payroll.

Membership form

Please read the product disclosure statement (PDS) before completing this form.
The PDS is available at policesuper.co.nz
and disclose-register.companiesoffice.govt.nz.

For the member to complete

Mr/Mrs/Miss/Ms ______________________ ______________________
SURNAME GIVEN NAMES

Station postal address ______________________

Date of birth ______________________ QID ______________________

Daytime contact number/mobile ______________________ IRD number ______________________

Personal email address (optional) ______________________

Membership category and contribution rate

See pages 7 and 8 for more information about membership categories.

Recruits and new constabulary employees
As a constabulary employer (or recruit in training at RNZPC to become a constabulary employee), your membership category and compulsory contribution rate is as follows.

Membership category	Minimum contribution rate (as a % of salary)	
	Member	Employer
☐ Recruit/standard constabulary entrant	7.5%	15.2%

Former Traffic Officers
Choose one of the following options if you are a former Traffic Officer who is also a contributing member of GSF or NPF.

Membership category	Minimum contribution rate (as a % of salary)	
	Member	Employer
☐ Special entrant	1.0% of salary (GSF members) 2.5% of salary (NPF members)	Contact your Payroll Officer for details of the employer contribution
☐ Savings contributor	4.0% of salary	Nil

Police employees
Choose one of the following options if you are an employee of Police not holding the office of constable. This includes authorised officers but excludes recruits in training at RNZPC.

Membership category	Minimum contribution rate (as a % of salary)	
	Member	Employer
☐ Optional entrant	6.0% of salary	12.5% (paid from your existing total remuneration)
☐ Savings contributor	4.0% of salary	Nil

If you join the scheme as an optional entrant, employer contributions made on your behalf will be paid from your existing total remuneration. This will affect the amount of your fortnightly take-home pay. Talk to your Payroll Officer if you have questions about this.

Voluntary additional contributions

I would like to make voluntary contributions in addition to the regular rate.

☐ Yes (nominate contribution below) ☐ No

I would like to make additional voluntary contributions as a percentage of salary ______%
(This must be at least 1% and no more than 10%.)

Membership form

Investment choice

Choose **either A or B** from the following (please tick one):

A ☐ I would like my contributions and employer contributions (if any) to be invested in Super Steps.

With Super Steps, your savings are invested automatically in one or a combination of Growth, Balanced or Stable depending on your age. Up until age 45, your funds are invested solely in Growth. From age 45, your funds will be switched progressively to Balanced and Stable as you get older (see page 4 for more information).

You cannot mix and match between Super Steps and the other five options (see below).

B ☐ I would like my contributions and employer contributions (if any) to be invested in one or a combination of these options:

High Growth	____________ %
Growth	____________ %
Balanced	____________ %
Stable	____________ %
Cash Plus	____________ %
TOTAL	____________ %

If you do not make an election, your contributions and employer contributions (if any) will be invested in Super Steps.

Select your tax rate (PIR)

The Police Superannuation Scheme pays tax on your behalf at a rate based on your total personal income. This rate is called your prescribed investor rate (PIR).

The thresholds that PIRs are based on will change on 1 April 2025. Use the appropriate chart below to work out your PIR and tick one of these boxes.

☐ 10.5% ☐ 17.5% ☐ 28%

Or use Inland Revenue's (IRD) online tool at www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate.

Until 31 March 2025

Are you a New Zealand resident taxpayer?	**YES**	In either of the past two income years, was your taxable income $14,000 or less? **and** In that same year, was your total taxable income and PIE income $48,000 or less?	**NO**	In either of the past two income years, was your taxable income $48,000 or less? **and** In that same year, was your total taxable income and PIE income $70,000 or less?	**NO**	Your PIR is **28%**
NO		**YES**		**YES**		
Your PIR is **28%**		Your PIR is **10.5%**		Your PIR is **17.5%**		

From 1 April 2025

Are you a New Zealand resident taxpayer?	**YES**	In either of the past two income years, was your taxable income $15,600 or less? **and** In that same year, was your total taxable income and PIE income $53,500 or less?	**NO**	In either of the past two income years, was your taxable income $53,500 or less? **and** In that same year, was your total taxable income and PIE income $78,100 or less?	**NO**	Your PIR is **28%**
NO		**YES**		**YES**		
Your PIR is **28%**		Your PIR is **10.5%**		Your PIR is **17.5%**		

Taxable income is all of your income that is subject to income tax, including all salary and wages, less any claimable expenses and losses.

PIE income means your share of a PIE's taxable income. PIE is short for portfolio investment entity. Many superannuation schemes and managed funds have chosen to become PIEs in order to pass on tax advantages for investors on lower incomes. Call us on 0800 777 243 if you are not certain if something is PIE income.

See Section 6 of the PDS for more information about tax.

Declaration

I acknowledge that I have read the Police Superannuation Scheme product disclosure statement. I apply for membership of the Police Superannuation Scheme and agree to be bound by the trust deed and rules governing the scheme. I agree to contribute to the scheme as specified in the trust deed and rules, and I authorise my employer to deduct contributions from my pay.

I certify the tax information I have given is correct and acknowledge that I will be personally liable for any tax required to be paid if the information I have given is incorrect.

Signature ______________________ Date ______________

Return the completed form to:

Payroll, Police National Headquarters, PO Box 3017, Wellington 6140, or scan and email it to payroll@police.govt.nz

Privacy statement

The information the account holder provides in this form and any accompanying information is required for PSS Trustees Limited to be able to administer the account holder's account. PSS Trustees Limited may also use any personal information collected for the additional purposes set out in the PSS privacy policy available at policesuper.co.nz/privacy-policy. Please read the PSS privacy policy for further information on how PSS Trustees Limited collects, stores, uses and discloses the account holder's personal Information, and the account holder's rights in respect of personal information PSS Trustees Limited holds about them.

Employer to complete

PSS membership number ______________

Date commenced service ______________

Date joined scheme ______________

Please confirm the following ☐ Constabulary member ☐ Non-constabulary member

Member contribution rate ________%

Employer contribution rate ________%

Voluntary contribution rate ________% (capped at 10% of salary)

Signature ______________________ Date ______________
PREPARED

Signature ______________________ Date ______________
CHECKED