Questions and Answers – Superannuation at Beca[1]

Contents

[1] This document (updated to June 2026) was first produced in July 2024, based on questions received at member briefings held in March 2023 and April 2024. Some questions are paraphrased for brevity or precision. Others are combined, where we received similar questions from two or more members.

<u>Important note</u>

The information in this document is **not intended to be financial advice** or take the place of a financial advice provider, and is for members' general information only. It was prepared on behalf of BGS Trustee Limited, as the issuer of membership interests in the Beca Group Superannuation Plan (**BGSP**) and the Beca Super Scheme (**BSS**), without taking account of your personal objectives, circumstances or needs.

The information in this document also reflects the legislation and government policy applying to the BGSP, the BSS and KiwiSaver schemes as at June 2026. Both legislation and policy are subject to change.

More information about the BSS can be found in its most recent **Product Disclosure Statement** (available at www.becasuper.co.nz). That website also has more information about both the BSS and the BGSP.

Please note that past performance is not necessarily indicative of (and cannot be relied upon as a guide for) future performance. Returns can be positive or negative, and returns over different periods may vary. No returns are promised or guaranteed.

Contributions

1) Can BSS employee contributions be increased at any time (and if so how)?

Yes, an employee member of the BSS can increase their total contribution rate from 4% of salary to 6%, 8% or 10% (the maximum) at any time. The member can also reduce their contribution rate at any time, but not to below the 4% minimum.

If you change your total contribution rate, the portion of your contributions made on the KiwiSaver-like locked-in basis will not change. This means that if you are locking in the first 3% of your contributions and for example you increase your total contribution rate from 4% to 6% of salary then:

- your locked-in contribution rate will remain at 3%; but
- your standard (non-locked-in) contribution rate will increase from 1% to 3%.

To change your chosen contribution rate you must complete and return the Contribution Change Form available under the Existing Member tab on the Beca super website.

Generally, if the Contribution Change Form is correctly completed and emailed to Beca.Super@mjw.co.nz (where it will be reviewed and on-sent to Beca Payroll) by mid-month, the contribution rate change will take effect from the beginning of the month. It will otherwise take effect from the beginning of the following month.

Beca's BSS employer contribution rate is fixed – if you increase your contribution rate, Beca's contribution rate (before deducting contribution tax) will remain at 4.5% of your salary. This rate was increased from 4% to 4.5% for pay periods beginning on or after 1 May 2026.

If you are locking in the first 3% of your contributions then the first 3% of Beca's contributions will also be made on the KiwiSaver-like locked-in basis, with the other 1.5% paid on the standard (non-locked-in) basis.

If you joined Beca's employment on or after 1 April 2008 and chose (while it was permitted) to lock in more than the first 3% of your contributions then under current legislation, unless you elect to reduce your lock-in rate to 3% (see above), the locked-in portion of Beca's before-tax contributions for your benefit will be:

- 3.5% of base salary until 31 March 2028 (with the other 1% paid on the standard basis); and
- 4% of base salary from 1 April 2028 (with the other 0.5% paid on the standard basis).

If you joined Beca's employment before 1 April 2008 then, even if you lock in more than the first 3% of your own contributions, Beca's lock-in rate will remain at 3% (with the other 1.5% paid on the standard basis).

2) If I pause my employee contributions, are Beca's contributions also paused?

Yes. Additionally (unless the reason for the suspension is that you are on parental leave or other Beca-approved temporary absence – see question 4 for more detail) your insurance cover will also cease for the non-contributory period.

3) If I'm temporarily working fewer than 24 hours a week (e.g. on returning from parental leave) do BSS contributions continue like they do for KiwiSaver?

Yes, currently. Under each Trust Deed, Beca can decide at its discretion to allow a BGSP or BSS member who remains permanently employed but is working fewer than 24 hours a week (e.g. due to childcare or nearing retirement):

- to remain a member; and
- if they are in the BSS, to continue contributing and receiving Beca contributions.

Beca's current policy (which is subject to change) is that BSS members who remain permanent employees may choose to continue contributing (and receiving Beca contributions):

- as of right, if they are working between 10 and 24 hours a week; and
- with prior Section Manager approval, if their hours drop below 10 a week.

Insurance

4) Does parental or other unpaid leave affect insurance cover?

Our insurer's current practice is that when Melville Jessup Weaver as Administration Manager is informed about a member's parental leave and notifies the insurer accordingly:

- the insurer automatically confirms the continuation of the member's death and total and permanent disablement (**TPD**) insurance cover during the parental leave period;
- the pre-existing terms and conditions of that cover continue applying; and
- cover is at the level applying immediately before parental leave commenced.

If the member then returns to work on a part-time basis, their cover level is adjusted accordingly.

For other periods of unpaid temporary absence (e.g. leave without pay to travel or undertake full time study, sabbatical leave, compassionate leave or other extended leave):

- before the leave begins (unless our insurer agrees otherwise) Melville Jessup Weaver must notify the insurer, which must agree in writing to continue the member's death and TPD cover;
- the insurer may withhold its agreement (in which case cover will cease during the unpaid leave period) or impose conditions on the continuation of the member's cover; and
- if cover is continued, it remains in place for up to 2 years for death and 1 year for TPD (or in either case until the date, if earlier, when the member leaves service or reaches age 65).

If you are intending to commence a period of parental leave or other Beca-approved temporary absence, then:

- we recommend you contact the Scheme Administrator at Melville Jessup Weaver ahead of time, so as to ensure that you will still have death and TPD cover while absent; and
- if you are also a member of the Beca Group Insurance Plan (providing access to life, TPD and income protection cover through Resolution Life), we recommend you contact our insurance adviser AdviceFirst through its advisory portal ahead of time, to ensure that you (and if relevant your family) will still have that cover while you are absent.

5) Does an overseas assignment affect insurance cover (and what is an 'overseas assignment' for insurance purposes)?

In the case of an overseas assignment, generally speaking a member's death and TPD cover may continue if, before the assignment commences, Melville Jessup Weaver:

- is informed about the assignment and notifies the insurer accordingly; and
- obtains the insurer's approval to continue the cover (which may be granted subject to conditions and will terminate after not more than 3 years).

In practice, Beca is responsible for informing Melville Jessup Weaver about overseas assignments and members are only contacted if there is an issue with continuing their cover.

Under our insurance policy, in practical terms an overseas assignment includes not only a long or short term overseas secondment but also overseas business travel. However, currently any scheduled overseas business travel which:

- is to a level 1 (*"normal safety and security precautions"*) or level 2 (*"increased caution"*) destination as advised on the SafeTravel (NZ) website; and
- will not exceed 90 days;

does not require notification to or approval from our insurer (i.e. cover continues automatically in that circumstance).

Business travel to a level 3 (*"avoid non-essential travel"*) or level 4 (*"do not travel"*) destination as advised on SafeTravel (NZ) requires pre-approval from our insurer in all cases if cover is to continue (and the insurer may require additional information from Beca for this purpose).

6) Is the need for health checks (for insurance cover) a recent change for people who don't join the first time? Will I have been contacted if this applies to me?

Every employee who joins when first invited has automatic full death and TPD cover. However, it has always been a term of our insurance policy (to which each Trust Deed is subject) that if an employee does not join when first invited then:

- they may be required to complete a medical questionnaire (and potentially undergo a medical examination); and
- depending on their state of health or other relevant circumstances, our insurer may restrict (or decline to grant) death or TPD cover.

Melville Jessup Weaver administers this requirement by:

- checking each year's membership offers against prior membership offers; and
- if an employee who is being offered BSS membership has already received a prior offer, seeking health evidence.

If (after reviewing that health evidence) the insurer restricts or declines to grant cover then Melville Jessup Weaver will advise the employee in writing.

It is standard group life insurance practice to require that if an employee does not join a scheme when first eligible, they must complete a health questionnaire and possibly undergo a medical examination. Insurers are stringent about requiring health checks in that circumstance (and about restricting or refusing cover if the health evidence gives them cause for concern).

As at 1 June 2026:

- no BGSP members had any cover restrictions; but

- 23 BSS members who did not join when first invited had restrictions imposed on their cover, due to their state of health or other relevant circumstances.

Investments

7) How did the BSS perform over the 5 years ended 31 August 2025 compared to retail KiwiSaver funds?

The following table compares:

- the rates of investment return (per annum) for the BSS; and
- the median rates of investment return (per annum) for four categories of KiwiSaver funds (Growth, Balanced, Moderate and Conservative) covered by the MJW Investment Survey;

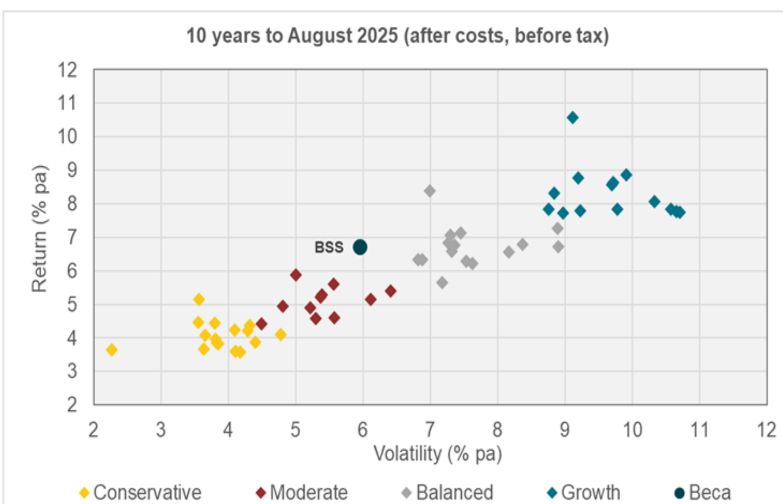
over the 1, 5 and 10 year periods ended 31 August 2025 (the latest Scheme year-end as at the date of publication), in each case after costs and expenses but before tax[2]:

Scheme (or KiwiSaver fund type)	1 year (%)	5 years (% per annum)	10 years (% per annum)
BSS	***8.0***	***6.3***	***6.7***
Growth funds	11.1	7.5	8.0
Balanced funds	9.1	5.7	6.7
Moderate funds	7.7	4.2	5.1
Conservative funds	5.6	2.8	4.0

The following chart compares the BSS with the KiwiSaver funds covered by the MJW Investment Survey in terms of average investment returns (per annum) and average volatility (per annum) over the 10 year period ended 31 August 2025.

Again, the results are after costs and expenses but before tax. They show that over the relevant period the BSS had:

- volatility broadly consistent with that of a moderate fund; and
- returns broadly consistent with those from a balanced fund:



[2] The BSS returns shown are not its investment earnings rates, as they are after costs and expenses deductions but before tax. BSS investment earnings rates are determined by deducting costs, expenses and tax.

Notes:

1) Not all KiwiSaver funds are included in the MJW Investment Survey (it covers AMP, ANZ, ASB, BNZ, Booster, Fisher Funds, Generate, MAS, Mercer, Milford, Simplicity, SuperLife and Westpac).
2) **The KiwiSaver funds surveyed have widely varying asset allocations** (see note 3). These differ from those of the BSS, which:
   a. until 19 May 2023, had a 'Moderate Balanced' investment strategy (with target allocations of 50% to growth assets and 50% to income assets); and
   b. changed on that date to a 'Balanced Growth' strategy (with target allocations of 63% to growth assets and 37% to income assets).
3) The MJW Investment Survey defines each relevant KiwiSaver fund category as follows:

Growth	Target allocation 66% to 85% growth assets
Balanced	Target allocation 50% to 65% growth assets
Moderate	Target allocation 30% to 49% growth assets
Conservative	Target allocation 15% to 29% growth assets

4) In the MJW Investment Survey the median target allocation to growth assets as at March 2026 among the KiwiSaver funds covered was:
   a. Growth 80%
   b. Balanced 60%
   c. Moderate 40%
   d. Conservative 20%

Past returns are not necessarily a good indication of future returns. Returns will vary when measured over different periods.

8) Has the Trustee recently increased its target allocation to growth assets?

Yes - on 19 May 2023, the Trustee (after taking advice from its Investment Consultant) adopted a revised long-term benchmark (or target) asset allocation mix for the BSS and BGSP of 63% growth assets and 37% income assets, replacing the former benchmark mix of 50% growth assets and 50% income assets.

This benchmark asset allocation mix places the BSS and BGSP in the 'balanced growth' funds category.

An important driver for the change, alongside investment market conditions, was the changing make-up of the BSS membership - younger members:

- now comprise a significant and growing proportion of the BSS (and hence the overall BGSP and BSS) membership base; and
- have a longer retirement savings time horizon, which tends to support investing more in growth assets.

Two of the core responsibilities of the Trustee's Investment Committee are:

- reviewing the target asset allocations for the BGSP and the BSS from time to time; and
- making recommendations to the Trustee board on the appropriateness of those allocations.

When determining from time to time whether or not to change those asset allocations (and what form any such changes will take) the Trustee will seek to ensure that it continues taking a prudent level of risk with respect to the savings of older members, including those in the BGSP.

9) Has the Trustee considered a passive low fee investment approach?

Yes, though the Trustee's current preference is for active management - as noted in each Statement of Investment Policy and Objectives:

> Active management (i.e. an active approach to investment selection), as opposed to passive management, is pursued in all asset classes. This does not preclude the Trustee from investing in a passively managed investment vehicle if it is assessed as offering compelling investment characteristics.

One of the Trustee's core investment beliefs, which underpin its investment objectives and guide the investment of BGSP and BSS assets, is that (again as noted in each Statement of Investment Policy and Objectives):

> Markets are competitive but not always efficient. By actively managing the selection of securities and asset allocations using quality systems and processes, good fund managers can sometimes (though not always) add incremental value (after fees) over and above benchmark returns and reduce overall investment risk. The Trustee believes that, with advice from appropriate advisers, it has the ability to select superior active fund managers.

As noted in the first extract, the Trustee's general preference for active management does not preclude the potential use of passive, low cost investment options. If the Trustee believes there are no compelling active management options available in a certain area, then it may select a passively managed investment scheme.

As to fees more generally, see question 14.

10) Does the Trustee's Responsible Investment Policy 'blacklist' companies or markets in which the Trustee commits not to invest?

The relevant current details of the Trustee's Responsible Investment Policy[3] are as follows.

The Policy does not prescribe specific investment exclusions. However it does state that the Trustee must endeavour to avoid, where practical, investments in entities whose activities are contrary to the intent of either:

- New Zealand legislation (e.g. weapons prohibition statutes, the New Zealand Nuclear Free Zone, Disarmament, and Arms Control Act 1987 and the Russia sanctions legislation); or
- any of the various international agreements to which New Zealand is a signatory.

The Policy also states that the Trustee will endeavour to avoid, where practical, investments in entities whose activities are primarily related to the manufacture and sale of tobacco products.

The Policy recognises that to the extent that BGSP and BSS investment assets are held in investment schemes managed by external fund managers:

- the Trustee has no direct influence on an operational basis over either:
    - the individual investments held (or excluded) by those fund managers; or
    - the fund managers' investment policies, investment choices, voting decisions or engagement activities; and

[3] See the Statement of Investment Policy and Objectives for the BSS (Section 6 at pages 11 to 13).

- the Trustee's influence is limited primarily to assessing and engaging with the fund managers and deciding whether or not to add or remove particular managers or managed funds.

The Policy requires the Trustee:

- to prefer external fund managers who:
  - are signatories to the United Nations Principles for Responsible Investment (**PRI**) or are members of the Responsible Investment Association Australasia (**RIAA**);
  - operate policies preventing investment in entities directly involved in any of the activities excluded by New Zealand legislation;
  - consider and monitor the carbon footprint of their investment portfolios, and engage with investee companies on their climate-related risks and opportunities; and
  - have a responsible investment policy which the Trustee can inspect and review; and
- to the extent that it invests directly, to consider environmental, social and governance (**ESG**) factors when deciding whether or not to make or retain an investment.

The Policy requires the Trustee to:

- ask the fund managers each year to explain and confirm their policies with respect to integrating ESG factors into their investment processes, and to provide the Trustee with written assurances concerning their adherence to those policies;
- require the fund managers to address climate change-related risks and opportunities as a specific component of their ESG investing considerations (and report regularly to the Trustee in that regard); and
- if it identifies issues that it considers material:
  - engage with the relevant fund manager and seek to better understand the materiality of those issues and any mitigating factors; and
  - if not satisfied with the manager's response, consider divestment.

11) What are the responsible investing credentials of the Trustee's current fund managers?

Currently, each of the Trustee's three directly appointed external fund managers (Amova, Mercer and Salt) is a signatory to the PRI and Mercer is also an RIAA member.

The Trustee is satisfied that each manager has a responsible investment policy which it incorporates into its business and investment processes, as briefly outlined below.

Amova

Amova's website advises that Amova is:

> a long term, global investor across multiple asset classes, acting in the best interests of our clients. We believe that the three core factors behind sustainable, responsible investing - environmental, social, and governance ("ESG") - are inherent to long-term value creation. Incorporating them in the investment process is consistent with our fiduciary duty.

The website also sets out Amova's firm-wide policy regarding the six Principles for Responsible Investment, and observes in relation to the first principle:

> **Principle 1: Amova AM incorporates ESG issues in investment analysis and decision-making**
> We believe ESG issues are inseparable from our fundamentals-based investment process. As such, their incorporation in the investment process is the direct responsibility of all the investment professionals at Amova AM, rather than a separate team of ESG specialists. Each team may address ESG issues in their own specific investment policy statements. The head of each investment team, and ultimately the Global Head of Investment, are accountable for the implementation of ESG and the Principles.

Mercer

Mercer's Sustainable Investment Policy document[4] notes that:

> **We believe sustainable investment approaches are consistent with an objective to create and preserve long-term investment capital, where relevant and aligned with achieving investment objectives.**
>
> This is informed by Mercer's global philosophy and principles, updated in 2024 (available here) and our local experience implementing and evolving our sustainable investment approach for over a decade.

The document also notes that the principles guiding Mercer's implementation approach include the following techniques:

- **Integration of ESG factors** in relevant investment decisions can potentially enhance portfolio resilience. This includes appointing investment managers who assess and reflect ESG risks and opportunities when they select investments and construct their portfolios.
- **Stewardship**, via engagement with Investment Managers, companies and policymakers and/or via proxy voting at listed company annual general meetings, can improve investment outcomes by leveraging investor rights and influence. Engagement may be undertaken with companies or policymakers via Investment Managers, collaborative initiatives and/or directly by us.
- **Exclusions** that seek to avoid investment in, or remove or reduce exposure as much as practicable to, certain companies or securities with involvement in defined products or business activities can help respond to stakeholder expectations where integration and stewardship are considered to be insufficient.

Salt

The Trustee invests in the Salt Select Global Shares Fund, the Salt Global Listed Infrastructure Fund and the Salt Select Global Fixed Income Fund, each of which invests based on considerations of sustainability, better ESG performance and financial return.

Salt's website notes that:

> The transition to a sustainable economy will be ongoing. Through active management, stewardship, innovation, and sustainable leadership, we can deliver more sustainable returns in the long term while activating positive change to support a faster transition for the benefit of generations *[to]* come.
>
> Salt is a long-standing signatory to the United Nations-sponsored Principles of Responsible Investment (PRI), which are a core part of Salt's Responsible Investment Policy. We have observed the growing number of signatories globally to PRI. We are encouraged by the movement of investors to support the six principles of responsible investment, directing capital to do better. Along with the PRI, other initiatives and frameworks help companies, investors, and communities streamline efforts to assess risks and opportunities appropriately and formulate strategies to mitigate and adapt to transition to not only a low carbon economy *[but also]* a sustainable economy.

[4] This document sets out Mercer's key principles and overarching approach with respect to ESG integration, sustainability themes, climate change, active ownership and screening.

12) Can you please define 'alternative assets'?

'Alternative assets' (to which the BSS and BGSP currently each have a 13% target allocation) means investments:

- which do not fall within any of the other asset classes described in each Statement of Investment Policy and Objectives; but
- which the Trustee considers appropriately reflect the intended risk profile of the BSS and the BGSP and will contribute to meeting their investment objectives.

Examples of alternative assets include:

- equity (i.e. share) investments which offer underlying exposures to (for example) infrastructure assets; and
- managed investment products which do not fall within (or primarily within) any other asset class or classes.

The Trustee's alternative assets investments currently comprise units in international listed infrastructure funds. An 'infrastructure fund' is a managed investment scheme investing primarily in companies providing essential community services (e.g. airports, seaports, gas pipelines, electricity distributors and telecommunications facilities).

The Trustee's allocation to alternative assets is aimed at diversifying the investment portfolio of the BGSP and the BSS away from equities, fixed interest and cash and thereby:

- seeking returns that are independent from those of the equity and fixed interest markets; and
- reducing the portfolio's overall sensitivity to traditional markets.

Many alternative investments offer a relatively low correlation to equities and fixed interest (meaning that their financial performance is dissimilar to those asset classes). This can make alternative investments a good portfolio diversification tool.

13) Do BSS and BGSP hold any direct investments in Australian or NZ companies which are also clients? If so, are there any insider trading concerns?

Most of the BSS and BGSP investment assets are now held in investment schemes managed by external fund managers who make all direct investing decisions, and we intend increasing over time the portion of our investments that is held in managed investment schemes.

We do hold some direct investments in large listed Australian and New Zealand companies, but in practice we do not encounter circumstances in which we are buying or selling those companies' shares while in possession of material information that is not yet public information.

Our investment decision-making process is in any event kept strictly separate from Beca's wider operations.

Fees

14) How do the BSS fees compare to KiwiSaver?

The Product Disclosure Statement for the BSS currently has an annual fund charges estimate of 0.63% of net asset value.

As at May 2026, according to the Smart Investor tool on the Sorted website maintained by Te Ara Ahunga Ora (Retirement Commission) the fees payable by members in the KiwiSaver Conservative, Balanced and Growth funds covered by that tool were:

- Conservative funds[5] - average fees 0.86% (range 0.25% to 3.44%);
- Balanced funds[6] - average fees 0.91% (range nil to 1.6%); and
- Growth funds[7] - average fees 1.07% (range 0.25% to 1.67%).

Those KiwiSaver fees (which are subject to change) were based on the fees set out in the latest available quarterly Fund Updates for the relevant KiwiSaver funds, as at 28 May 2026, in the relevant category covered by the Smart Investor tool. The commentary on the Sorted website describes how the fees on the Smart Investor tool are calculated:

> Fees shown here [are] based on what you would pay over a year if you had $30,000 in this fund.

The annual fund charges payable from the BSS are subject to change – they are not fixed and the overall level of fund charges payable by a member will change depending on the actual fees and charges incurred by the Trustee. Additionally:

- the fees we incur may be altered by agreement between us and our service providers; and
- we may start charging fees at any time for our provision of investment management or other services to Scheme members (though we have no current intention of doing so).

Smart Investor enables investors to make their own comparisons of the KiwiSaver funds listed, by reference to those funds' current target asset allocations, fees and returns. Each return figure is described as the average annual investment return for the relevant fund over the past 5 years (to the latest quarter-end for which a Fund Update is available), after fees and taxes.

Member services

15) Where do I find my Member Number for the Beca super website?

Your Member Number is the same as your Employee ID number.

16) Could we have multiple investment options from which members can choose (to best suit their age and stage or risk appetite)?

The Trustee board has considered this potential initiative and noted that such a change would require detailed Trust Deed amendments, changes to offer documents and forms, and administrative changes.

Having weighed the significant additional cost and complexity of providing investment choice to members against its potential advantages, the Trustee has decided not to proceed with offering member investment choice at this time.

[5] A **Conservative** fund is defined on Smart Investor as one which targets holding 10% to 34.9% in growth assets.

[6] A **Balanced** fund is defined on Smart Investor as one which targets holding 35% to 62.9% in growth assets.

[7] A **Growth** fund is defined on Smart Investor as one which targets holding 63% to 89.9% in growth assets.

KiwiSaver schemes offer investment choice and (as noted in the Product Disclosure Statement for the BSS) a BSS member may transfer all or some of their locked-in balance to a KiwiSaver scheme at any time[8].

17) Could we get more regular on-line access to current balances (via the member portal) and recent investment performance, like most KiwiSaver schemes?

The Beca super website does not have this capability and it is considered prohibitively expensive to put in place.

However, you can request from Melville Jessup Weaver at any time an update regarding your BGSP and/or BSS balances (including the interim investment earnings accrued since the last year-end investment earnings rate was determined).

In addition:

- your last 2 year-end Member Benefit Statements (issued as at 31 August each year) are available on the website - these show:
  - your balances at the start and at the end of the relevant year;
  - the amount of each type of contribution received in respect of you during that year; and
  - the investment returns (positive or negative) applied to your accounts after deducting both costs and expenses and tax;
- the Annual Reports for the BSS and the BGSP contain investment returns information and commentary (the last 2 years' Annual Reports are available on the website);
- the annual Fund Updates produced for the BSS and BGSP (the last 2 years' Fund Updates are available on the website) include investment performance information and market index returns comparisons for the last 1, 5 and 10 years ended 31 August[9]; and
- members receive interim investment performance information from time to time via newsletters.

Reaching age 65

18) Is death and TPD insurance cover still available after age 65?

No. To be eligible for death and TPD insurance cover you must remain in Beca's continuous permanent employment, continue contributing (if you are a BSS member) and be aged below 65.

Insurance cover is in any case available only if your total BSS balance (together with any BGSP balance, excluding the balance in a voluntary account) is below 2 times your base salary, with

[8] As also noted in the Product Disclosure Statement:

(i) a transfer fee (currently $200) is payable for the second and any subsequent transfer from a BSS member's locked-in balance to KiwiSaver while they remain a contributing member of the BSS;

(ii) if a BSS member transfers all or any of their locked-in balance to KiwiSaver then their insurance cover reduces accordingly; and

(iii) if a BSS member transfers all of their locked-in balance to KiwiSaver, they may also transfer all of their standard balance to KiwiSaver and cease to be a BSS member.

[9] A KiwiSaver scheme must produce Fund Updates quarterly (for each investment option) but restricted workplace savings schemes such as the BSS and BGSP need only produce annual Fund Updates.

your maximum base salary for this purpose currently being $200,000. In that case an insurance 'top-up' is payable to increase the total death or TPD benefit to two times base salary (maximum $400,000)[10].

By age 65 it is expected that a member's need for cover will have reduced and that a longer-term member's total balances will be at or near the level where no insurance cover would remain available anyway.

19) What happens after age 65 more generally?

When reaching New Zealand Superannuation age (currently 65):

- if you are a BSS member who remains in Beca's employment, you may choose to cease contributing[11] (though if you continue contributing then Beca will also continue contributing until you leave its employment);
- whether or not you continue contributing, you will no longer be eligible for death or TPD insurance cover;
- if you are a BSS member and were otherwise eligible, you will cease to be eligible for Government contributions; and
- even if you remain in Beca's employment, you may withdraw all or some of your balance in the BGSP and/or the BSS.

When a member is nearing age 65, the Scheme administrator will write to them and advise the options available under the rules for (as applicable) the BGSP and/or the BSS.

Interface with KiwiSaver

20) Can I be in a KiwiSaver scheme (to get Government contributions) and the BSS?

Yes, you can be a member of and contribute to both the BSS and a KiwiSaver scheme at the same time.

However, if you are a BSS member then you need not contribute to a KiwiSaver scheme to get Government contributions (current maximum $260.72 a year). If you are aged below 65 and contributing to the BSS through Payroll (and are otherwise eligible – a $180,000 taxable income limit currently applies[12]) then Government contributions will be credited each year to your Member Complying Account in the BSS if you are contributing only to the BSS.

If you are contributing to **both** the BSS and KiwiSaver, then only **one** set of Government contributions will be payable each year. They will be paid to the scheme (the BSS or the KiwiSaver scheme) that first requests them.

Additionally, by joining the BSS you agree with Beca that while you are a BSS member:

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[10] If all or some of any locked-in balance is transferred to KiwiSaver, cover reduces accordingly.

[11] Unless you were already aged 65 or more when joining the BSS, in which case you must continue contributing until you leave Beca's employment.

[12] For details of the eligibility criteria for Government contributions, see the BSS Other Material Information (OMI) document.

- any compulsory employer contributions payable by Beca for your benefit under the KiwiSaver legislation will be allocated entirely to the BSS as locked-in contributions; and
- Beca will not contribute to KiwiSaver for your benefit.

21) If I am also in KiwiSaver and on a savings suspension, is a reminder sent by Payroll for the renewal paperwork?

If you are a member of KiwiSaver then you can either:

- take (and annually renew) a KiwiSaver savings suspension, provided you have been in KiwiSaver and/or the BSS for at least one year; or
- if you are a BSS member, contribute to both KiwiSaver (current standard minimum employee contribution rate 3.5%, increasing to 4% on 1 April 2028[13]) and the BSS (minimum employee contribution rate 4%).

After you are granted a KiwiSaver savings suspension, it must be annually renewed, as it cannot apply for longer than 12 months per election. However, you can renew it as many times as you like (effectively suspending your KiwiSaver contributions indefinitely if you wish).

Beca cannot arrange a KiwiSaver savings suspension for you. You can apply for a savings suspension by either:

- logging into *MyIR* at **ird.govt.nz**, going to your KiwiSaver account panel, selecting *Apply for a savings suspension* and following the prompts to complete your application (find out more here); or
- if you do not have a *MyIR* account, requesting a savings suspension through Inland Revenue's online service (find out more (find out more here – scroll down to the *Other ways to do this* link).

Inland Revenue will then send you a savings suspension notice, and if you gave it Beca Payroll's details then it should also send Beca Payroll a notice in the mail. However, for certainty's sake we recommend sending Beca Payroll a copy of your savings suspension notice – it must receive a notice before it can stop deducting KiwiSaver contributions from your pay.

Once a savings suspension is in place, Inland Revenue will write to you annually to remind you when it is ending. You can then renew it (i.e. keep it going without interruption) by following the same process as above.

You should ensure you keep your *MyIR* contact details up to date for this purpose (and another failsafe is placing an annual renewal reminder in your calendar). Just as it cannot arrange the initial savings suspension, Beca cannot arrange annual renewals.

22) Can the BSS receive transfers from Australian superannuation schemes?

No – just as the BSS cannot receive transfers from KiwiSaver schemes, you cannot transfer an Australian superannuation scheme balance into the BSS.

You can transfer funds from an Australian complying superannuation scheme into a KiwiSaver

[13] Unless you have taken a temporary KiwiSaver rate reduction (to 3%) through Inland Revenue (via *MyIR* at **ird.govt.nz** – find out more here). Like a savings suspension, a temporary KiwiSaver rate reduction must be annually renewed, as it cannot apply for longer than 12 months per election.

scheme if you have permanently returned or immigrated to New Zealand, but complying superannuation funds like the BSS cannot accept such receive transfers.

23) Can a BSS member join a KiwiSaver scheme to receive a transfer from an Australian scheme, without also having to contribute to KiwiSaver from pay?

Yes, if you have been a BSS member for 12 or more months – in that case you can take a KiwiSaver savings suspension with immediate effect but you must annually renew it (see question 21).

If you have been a BSS member for fewer than 12 months, you cannot take a KiwiSaver suspension until after you have completed 12 months' BSS membership.

24) Can a BSS member transfer their locked-in balance to an Australian scheme if emigrating to Australia?

If you intend emigrating to Australia and wish to transfer your locked-in balance to an Australian superannuation scheme, you must transfer from the BSS to a KiwiSaver scheme *before* emigrating (as transfers direct from the BSS to an Australian scheme are not legally permitted).

After emigrating you can then transfer the total value of your KiwiSaver account (including any Government contributions) to an Australian complying superannuation scheme which agrees to accept the transfer.

General

25) Why does Beca still operate its own scheme – what is the benefit of having an internal scheme?

Beca has a long tradition of self-governance of both its shareholding scheme and its workplace savings schemes and has now been supporting employees' retirement savings for over five decades, with the BGSP being a key element of Beca's superannuation provision for employees since 1973 (predating even the shareholding scheme). As at 31 August 2025 (on the date of publication, the most recent year-end for each scheme):

- while closed and non-contributory since 2007, the BGSP still had assets of over $165 million including the $122 million indicated below, held for the BSS, and 147 individual members (most of them long-serving Beca employees with decades of experience); and
- the BSS, launched in 2007, had grown to over $122 million and 778 members.

The reasons for Beca having continued to operate its own schemes (while many other employers have discontinued theirs) include the provision of Beca-governed workplace savings schemes aligning with the following Beca values:

- **differentiation** - Beca takes an active interest in its employees' workplace savings, and having its own branded scheme has helped distinguish it from competitors;
- **control** - self-governance of the BGSP and BSS aligns with Beca's own self-governance tradition and is consistent with Beca being private, employee-owned and employee-controlled; and
- **excellence in execution** – as the BGSP and BSS are not wedded to any one service provider, the Trustee can choose its own 'best of breed' specialist external administration and fund managers and other service providers.

Other Beca-related trusts and entities also contribute to Beca's internal investment and administrative capabilities and culture of self-governance (e.g. the BGL Investment Reserve Trust, the BGL Management Share Trust, the BGL Custodian Trust and Beca Insurance Company Limited).

The BSS and BGSP sit within this Beca 'trusts ecosystem' and help give it sufficient critical mass to ensure good attention to governance, compliance and good conduct disciplines.

Other practical considerations include the following:

- currently the BGSP cannot readily be wound up, as:
    - it has pensioners for whom the Trustee would need to purchase BGSP pension-equivalent annuities on a wind-up; and
    - there is currently no life insurer in New Zealand offering the required form of annuity; and
- the BSS contributions and benefits structure has a 'best of both worlds' aspect which cannot be replicated externally:
    - reflecting the BSS' legislative treatment as a complying superannuation fund, only the portion of each member's contributions which equals 3% of salary, and the portion of Beca's contributions which equals 3% of salary less contribution tax, need be paid to the BSS on the KiwiSaver-consistent locked-in basis; and
    - all other contributions, namely:
        - the portion of each member's contributions which exceeds 3% of salary; and
        - the portion of Beca's contributions which equals 1.5% of salary less contribution tax;

      are accessible, together with the net investment earnings on those contributions, whenever a member leaves Beca's service.

These considerations also make it impracticable to seek to transfer the members and assets of the BGSP and the BSS into any multi-employer scheme managed by a third party (as the BSS' contributions design cannot be mirrored in any such scheme).

Beca is keeping an open mind on its future state options for providing retirement savings support to employees, and is mindful (in this context) of the likelihood of ongoing KiwiSaver default contribution rate increases. However, it considers that as matters stand:

- its flexibly accessed additional employer contributions; and
- its provision of premium-free death and TPD insurance cover to employee members aged under 65;

meaningfully differentiate the BSS from KiwiSaver at only modest additional cost to the business.

26) Why does Beca not allow an employee to choose between the BSS and a KiwiSaver scheme and still receive a 4.5% employer contribution?

By joining and contributing to the BSS, an employee benefits by being able to:

- access flexibly (i.e. whenever they leave Beca's employment) both:
    - the portion of their own contributions which exceeds 3% of salary (the last 1%, if they are contributing at the standard 4% rate); and

- the portion of Beca's contributions which equals 1.5% of salary less contribution tax;

  as only the first 3% of the employee's and Beca's contributions must be locked in on KiwiSaver-consistent terms;

- make additional voluntary contributions (above the 4% minimum member contribution rate) that are also accessible whenever they leave Beca's employment; and
- obtain premium-free access to significant death and TPD insurance cover.

KiwiSaver does not offer any of those additional benefits – all KiwiSaver contributions must be locked in until age 65 (with limited exceptions) and KiwiSaver schemes do not provide death or TPD insurance.

27) Why is the balance date 31 August (not 31 March for consistency with Beca's balance date)?

The reason is historical. Many years ago, Beca had a very small Finance team, one of whose tasks was to produce for Beca each year:

- its financial statements as at the 31 March balance date; and
- its 6-monthly (tax compliance-related) financial statements as at 30 September.

The Finance team also administered the BGSP entirely 'in-house' as no external administration manager had yet been appointed.

To smooth the Finance team's yearly workflows, it was decided that the BGSP's annual balance date would be 31 August. This enabled the preparation of BGSP Financial Statements, Annual Reports and Member Benefit Statements 'out of cycle' with Beca's own year-end and 6-monthly accounts (ensuring better resourcing for that purpose).

When the BSS was established in 2007 it was decided, both for those reasons and for consistency with the BGSP, that the BSS would also have an annual balance date of 31 August.

The BGSP and BSS balance date remains at 31 August so as to ensure year-on- year consistency in terms of annual investment performance comparisons and the timing of Annual Reports, Financial Statements, Fund Updates and Member Benefit Statements.

28) How important is it to keep a Will up to date, in relation to death benefits, and should the different schemes be listed in my Will?

It is very important to have a Will and keep it up to date. A Will outlines what happens to a person's assets (property and money) when they die.

Having a valid and up-to-date Will allows you to be confident (generally speaking) that after you die your affairs will be settled as you wanted[14]. It also:

- enables your estate to be administered quickly and economically; and
- makes the process easier for your immediate family.

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[14] Some exceptions apply – for example, if when you die you have a spouse (this includes a long-term de facto partner) your death benefit will be relationship property, meaning a court may in some cases override the requirement to pay your estate and instead order a payment direct to your spouse.

You should consider updating your Will whenever your personal circumstances change (e.g. after a relationship ends) and be mindful that generally, any earlier Will is revoked by a marriage or civil union.

The BSS and BGSP require all death benefits to be paid to members' estates, making your Will effectively a binding direction to us concerning how your death benefit is to be paid.

As the death benefit payable from the BGSP and/or the BSS automatically forms part of your estate (like any other asset) there is no need to list either scheme in your Will, unless you have a specific wish to distribute that death benefit differently from your other assets.

However, it can be helpful to the executors of your Will to keep a current list of your main assets and investments alongside the Will.

If you don't have a Will, you can get one drawn up by a trustee corporation (e.g. Public Trust) or a lawyer. You can find out more about Wills by visiting the Sorted website here.

If you die without a valid Will (i.e. 'intestate'), the distribution of your estate will be determined by intestacy laws and your death benefit will not necessarily be paid as you would have wished. The required legal procedures also become more complicated and time consuming, which can cause unnecessary worry and financial cost to your family or dependants.