

Superannuation (PSSAP) Unit Pricing Determination 2005 - Explanatory Statement

1 Name of Determination

This Determination is the *Superannuation (PSSAP) Unit Pricing Determination 2005*.

2 Purpose and operation of instrument

Rule 5.2.1 of the Rules for administration of the Public Sector Superannuation Accumulation Plan (PSSAP Rules) provides that the Board may determine the amounts to be credited or debited to a person's personal accumulation account under Rule 5.1.5(e) or 5.1.6(c) that reasonably reflects the after tax earnings or losses derived from the investment of the amount in the account.

Rule 5.4.2 of the PSSAP Rules provides that the Board may determine when and how a PSSAP member may make or change their election about their choice of investment strategy.

Rule 5.4.3 of the PSSAP Rules provides that the Board may determine, in relation to choice of investment strategy, the fees, costs and expenses to be paid from a person's personal accumulation account, including fees, costs and expenses in connection with the investment of contributions, the realisation of those investments, the choice of an investment strategy and changes to an investment strategy.

3 Principal Instrument

This Determination is the principal instrument.

4 Investment choice

The Board has decided to allow members investment choice. There are currently 11 investment options from which to choose. Amounts paid into or withdrawn from the fund are used to purchase or redeem units at a price calculated by using a methodology determined by the actuarial report, a commercial-in-confidence document which is not publicly available. Each investment option has a buy and sell price applied to amounts paid into or withdrawn from the investment option. The buy price determines the number of units allocated to the member in the particular investment option. The sell price determines the value of units that are being withdrawn from a particular investment option.

The daily buy and sell prices of relevant units are set out in Schedules 1 and 2 to the principal instrument. Schedule 1 sets out unit prices in the period from 1 July 2005 to 22 July 2005.

5 Unit Pricing determinations apply from the date specified

This Determination sets a buy and a sell price for each investment option to apply for each day commencing 1 July 2005 to 22 July 2005 as set out in Schedule 1.