

# ANNUAL REPORT

For the year ended 30 June 2017

## SAFEGUARDING YOUR REDUNDANCY BENEFITS

Mechanical and Electrical Redundancy Trust  
ABN 98 521 053 102

# Contents

Directors' report	2	Understanding your statement	5
MERT at your fingertips	3	The people looking after MERT	6
Don't lose track of your benefits	3	Financials	7
MERT at a glance	3	MERT contact details	8
Claiming your benefit	4	How we protect your privacy	8
MERT members' accounts	4		

With this annual report you will receive a statement detailing your employer contributions during the past twelve months. However, in-between statements members can easily access their account details and contribution history from the MERT website. The MERT website featuring member access is available at [www.mert.com.au](http://www.mert.com.au). There is also information in the annual report about using this website.



## Directors' Report 2016/2017

The building and construction industry during the 2016/2017 year has been lumpy. The number of cranes on the east coast cities skyline, whilst at high levels, do not really indicate the state of the broader industry including engineering construction. There have been significant slowdowns in engineering construction and this has affected workers across industry.

However, for MERT, the member of claims paid were just under \$12 million, a reduction of some 18% over the previous year. This is a good indication of the stability of the sectors that the MERT fund represents.

During the last year, the directors were able to provide distributions to eligible members of some \$1.4 million. It is important to remember that MERT is one of a small number of similar funds that distribute directly to members when investment returns make that possible.

As at 30 June 2017 MERT had approximately \$129 million under investment for members and this is above the member account total balance, which puts the fund in an excellent position should there be any fall in financial markets in the near future. MERT continues to have its investments in an implemented consulting arrangement with JANA.

Total worker members in MERT grew slightly to just over 22,000 and there was also a small increase in the total member balance to approximately \$118 million.

Both worker members and employer members are reminded that they can get online access to the MERT fund to check the contributions that have been made and other information. Whilst some thousands of worker members have already registered for online access, there is still a need for many more to make use of this on-line facility which is now a common part of most people's lives. By doing this, members can check at any time to see whether the contributions have been made in accordance with the employment agreement. The MERT website featuring access is available on [www.MERT.com.au](http://www.MERT.com.au).

The MERT directors continue to represent the interests of members of the MERT fund, and ensure that investments are appropriate to protect the redundancy benefits of members. A list of directors is available at the end of this annual report. These directors understand the building and construction industry, and are committed to their role.

# MERT at your fingertips

If you're not already registered for Member Access, register today online via our website so you can:

- Make sure your employer's contributions are up to date
- Update your personal contact details
- Claim online
- View your account balance and claims history
- Download forms

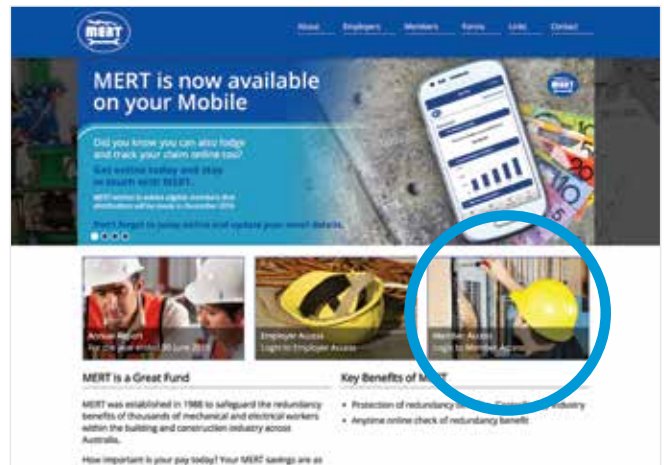
Wherever you are, MERT is at your fingertips via your mobile or computer.



# Don't lose track of your benefits

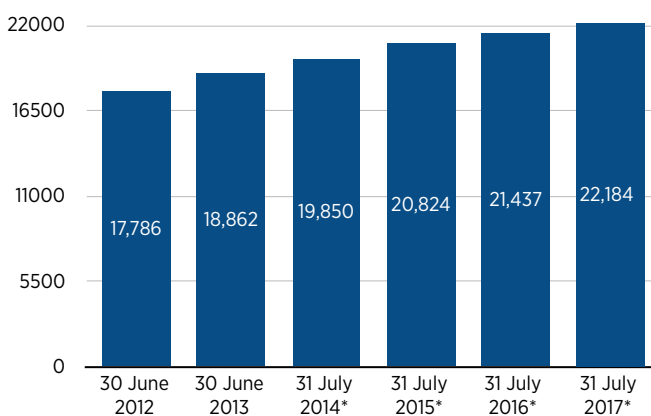
Make sure MERT has your current contact details. You can review and update details anytime via Member Access on our website [www.mert.com.au](http://www.mert.com.au)

If you need assistance, call the MERT fund administrator on 1800 023 692.

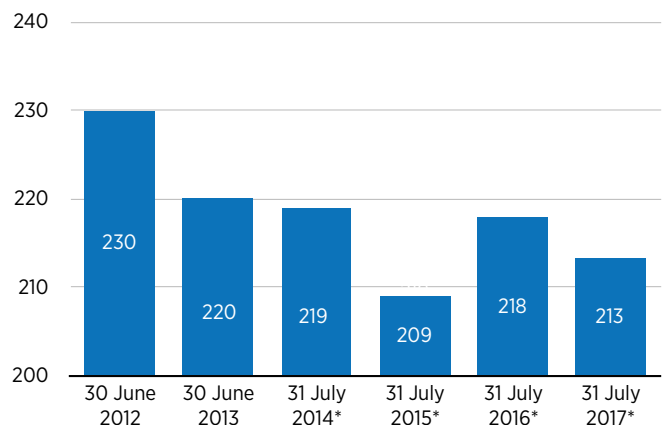


# MERT at a glance

## Membership



## Employers



\* Due to substituted Accounting Period.

---

# Claiming your benefit

The fastest way to claim your redundancy benefit is online through MemberAccess.

Simply click on 'Online Claims' and fill out the details according to the prompts. You can select to have the benefit paid via electronic funds transfer (EFT). You can also check the status of your claim online.

Alternatively, you can download the paper claim form from [www.mert.com.au](http://www.mert.com.au) or request a copy of this form by calling 1800 023 692, but this claims process takes a bit longer than online.

## How to claim your benefit

If you are made redundant or you terminate your employment you can claim your account balance by completing a member benefit claim form and having your last employer complete Section A and provide a copy of a third party termination advice, e.g, separation certificate. You can also choose whether to receive your benefit by the way of cheque, electronic funds transfer or rollover to a redundancy fund of your choice. (subject to the condition outlined below)

## When benefits are payable to you

The requirement is for you to claim your redundancy payment within 12 months of termination of your last employer to qualify for concessional tax treatment.

Generally if you claim your benefit outside the above criteria, your payment will be taxed as ordinary income at your marginal tax rates rather than at concessional tax rates. There are limited circumstances in which the 12 month rule does not apply. Please refer to [www.ato.gov.au](http://www.ato.gov.au) for more information.

Please note: The concessional tax rate limit is indexed each year. If you are entitled to significant redundancy benefits you should consider seeking financial advice before payment.

## Death

In the event of your death, your account balance will be paid to your nominated beneficiary or legal representatives. Documentation required to make a claim will include, as relevant:

- a completed deceased member claim form,
- marriage certificate or proof of dependency,
- copy of your birth certificate or drivers licence,
- along with a copy of your Will or letters of administration.
- death certificate,

---

# MERT members' accounts

When you join MERT, an account is opened, providing you with an individual membership number. The following transactions are recorded into your account:

## (+) Credits to your account

### Contributions

You the employee are not required to pay anything.

Your employer will pay on your behalf an amount as provided for within an enterprise agreement or other industrial instrument. This amount offsets the award redundancy entitlement.

### Transfers in (rollovers)

Any amount you transfer or rollover into the trust from other redundancy plans.

## (-) Debits to your account

### Charges

No charges are deducted from your account.

The cost of operating the trust is deducted from investment income, which includes all fees, administration charges, directors costs, custodian, legal, accounting and audit fees.

# Understanding your statement

Twice a year you will receive a personal statement of your account. The statement for the period ended 30 June provides a listing of transactions for the previous 12 months, and the one ended 31 December provides details of transactions for the previous six months.

The following information should assist you to understand your benefits and the contents of your statement.

## 1. Reporting period

The information on your annual statement covers the 12 month period from 1 July 2016 to 30 June 2017. Anything that affected your account after 30 June 2017 will be shown on next years statement.

## 2. Enquiries telephone number

This is the number to use between 8.30 am and 5.00pm (EST) to make enquiries.

## 3. Membership number

This is your fund membership number, which you should quote whenever you phone or write to MERT Administration. This will assist the administrator to quickly trace your details in the computer.

## 4. Tax File Number

If you advise MERT of your Tax File Number it will show provided. If you haven't, it will show Not Advised.

## 5. Beneficiary(ies)

These are your preferred dependent beneficiary(ies) whom you wish to receive your benefits in the event of your death. The final decision as to who receives your benefit rests with the Trustee.

If you have no dependants (as defined), you should nominate your estate and ensure you have an up to date Will. You can update your nomination of beneficiary(ies) in writing to MERT Administration at any time.

Note: Where you have dependants and have made a Will you may wish to have the nominated beneficiary(ies) recorded with MERT consistent with those stated in your Will.

## 6. Withdrawal benefit your account balance

Your withdrawal benefit is the balance of your account. This is the amount that you would be paid (less tax) if you were to claim your benefit. It is made up of contributions received and amounts rolled into the fund.

## 7. Employer contributions

Your member statement will show the contributions MERT has received for you during the last 12 months. If you believe any contributions are not shown on your member statement you should first communicate with your employer. You should note that contributions received for the month of June 2017 are not due to MERT until July 2017 and therefore will appear on your next statement.

## 8. Transfers/Rollovers received

This is the money (if any) that you have rolled over into MERT from another redundancy fund.

## 9. Benefit payments

If you were paid any benefits during the reporting period, they will be shown here together with the payment details.



**MERT**

### Member Statement

**1** For the period 1 July 2016 to 30 June 2017

Mr Simon Sample  
103 Sample Street  
SAMPLE NSW 2000

**2** Enquiries Telephone Number  
1800 023 692  
Hours for Enquiries  
8:30am to 5:00pm (EST)

**3** MEMBERSHIP NUMBER: 10538361

Date Joined Fund: 12/07/1994  
Date of Birth: 24/05/1968  
**4** Tax File Number: Not advised  
**5** Beneficiaries: As nominated on application

**6** Your Account Balance \$ 0.00  
Redundancy \$ 0.00

Your Account Details for the Period		Weeks	Redundancy (\$)	Total (\$)
<b>7</b> Opening Balance of your Account				
Contributions received			00.00	00.00
<b>XY2123 Company</b>				
For Nov 15 received	28/11/2015			
For Dec 15 received	19/12/2015	1	4	
For Jan 16 received	03/02/2016	4	5	
For Feb 16 received	28/02/2016	4	4	
For Mar 16 received	01/04/2016	4	4	
For Apr 16 received	02/05/2016	4	5	
For May 16 received	30/05/2016	4	4	
For Jun 16 received	25/06/2016	4	4	
<b>8</b> Transfers/rollovers received			0.00	
<b>9</b> Benefit payments			0.00	
Balance as at 30 June 2017			0.00	0.00

**NOTES:** This statement includes only those payments received by the Fund and paid into your account by 30 June 2017. If you wish to query any of the payments shown, please contact your employer.

# The people looking after MERT

## The trustee directors

MERT is managed by a trustee company, MERT Pty Limited (ABN 25 003 743 244), and comprises a board of directors of employer and employee representatives. All Board decisions must be passed by a two-thirds majority vote. At all board meetings, employer directors are entitled to exercise one-half of the votes and the employee directors are entitled to exercise the other half of the votes.

The directors have a duty to the members of MERT to run the trust in terms of the trust deed to ensure that the trusts assets are wisely invested, workers benefits are paid correctly, and workers are kept fully informed of their benefits.

## Employee directors

David McKinley - Director - ETU NSW  
Steven Murphy - Director - AMWU  
Timothy Ayres - Alternate Director - AMWU  
Steve Bali - AWU

## Employer directors

Chris Madson - Director - NECA  
Oliver Judd - Alternate Director - NECA

## Fund Secretary

James Tinslay

## The administrator

MERT has appointed Australian Administration Services Pty Limited (AAS) (ABN 62 003 429 114) as the administrator of the trust. AAS is a company that specialises in administering industry superannuation and redundancy trusts.

## The investment manager

MERT'S investment manager responsible for investing your money in MERT is JANA Investment Advisers Pty Ltd (ABN 97 006 717 568).

## The auditor

Independent auditors, Ernst & Young, audit your trust and trustee company every year to ensure compliance with Corporations law and that the financial statements reflect a true and fair view of the trust.

## Our sponsors



Australian Manufacturing Workers Union ABN 59 459 725 116



Electrical Trades Union of Australia NSW Branch ABN 24 379 005 569



National Electrical and Communications Association NSW Chapter ABN 27 056 174 413



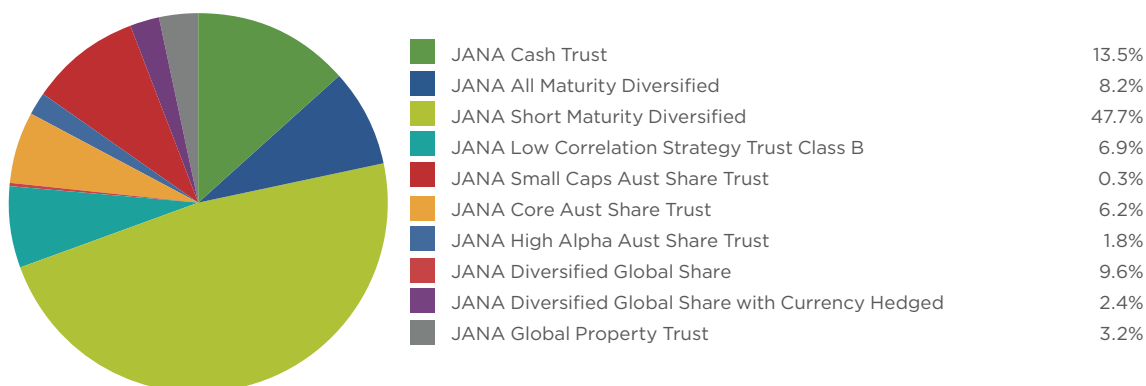
The Australian Workers Union ABN 28 853 022 982



# Abridged financial statement 2017

MERT financial statement shows the financial position (pre-tax and member distribution) of the trust at 31 July 2017. The directors are satisfied the unaudited abridged financial statement represents a true and accurate record of the trust's financial position. Fully audited accounts can be obtained by contacting MERT Administration.

<b>Opening balances</b>	<b>2017(\$)</b>
Workers' Accounts	115,807,358
Trust Reserves	7,616,336
<b>Trust funds and reserves at the beginning of the year</b>	<b>123,423,694</b>
<b>To which was added</b>	
Contributions by employers	14,778,296
Earnings (including changes in net market value of assets)	4,709,053
Interest	23,595
<b>From which was paid</b>	
Administration and other trustee costs	(1,016,746)
Withdrawals	(13,054,766)
Distributions to beneficiaries	0
<b>Trust funds and reserves at the end of the year</b>	<b>128,863,127</b>
<b>Net assets</b>	
<b>Investments</b>	
JANA Cash Trust	17,244,189
JANA All Maturity Diversified	10,513,811
JANA Short Maturity Diversified	60,835,339
JANA Low Correlation Strategy Trust Class B	8,848,277
JANA Small Caps Aust Share Trust	399,986
JANA Core Aust Share Trust	7,897,667
JANA High Alpha Aust Share Trust	2,357,565
JANA Diversified Global Share	12,234,811
JANA Diversified Global Share with Currency Hedged	3,074,110
JANA Global Property Trust	4,072,424
	<u>127,478,179</u>
Receivables	15,279
Cash at bank	1,475,585
Prepayment of Tax	114,434
<b>Total Assets</b>	<b><u>129,083,477</u></b>
<b>Less</b>	
Creditors	220,350
<b>Net assets at the end of the year</b>	<b><u>128,863,127</u></b>



# MERT contact details

Information about your account is available upon request.

Feel free to contact us if you wish to:

- change your name or address;
- change your preferred dependant;
- claim a benefit; or
- obtain further information about the fund or its benefits.

**Don't forget you can quickly & easily review & manage your MERT account & make claims online at [www.mert.com.au](http://www.mert.com.au)**

## IN PERSON

MERT Administration  
Ground Floor  
1A Homebush Bay Drive  
Rhodes NSW 2138

## MAIL

MERT Administration  
Locked Bag 20  
PARRAMATTA NSW 2124

## EMAIL

[mertadmin@aas.com.au](mailto:mertadmin@aas.com.au)

## PHONE

Phone the MERT administrator any weekday  
between 8:30am and 5:00pm (EST) on freecall

**1800 023 692**

International +61 2 8571 5458

## FAX

1300 793 529

# How we protect your privacy

The Privacy Amendment Act 2012 regulates the way in which MERT and its service providers must handle your personal information. The Privacy Amendment Act 2012 contains 13 Australian Privacy Principles, which detail the requirements in relation to the collection, use, disclosure, quality and security of personal and sensitive information.

These necessary policies, documentation and administration procedures to ensure compliance with the requirements of the Act have been completed.

If you would like a copy of MERT'S Privacy Statement, please contact the MERT administrator on freecall 1800 023 692 or visit our website [www.mert.com.au](http://www.mert.com.au)



## Disclaimer

*While every effort has been made to provide members with accurate information, it should be noted that no statements made in this annual report to members purports to be investment advice, taxation advice, or legal advice by the administrator or directors.*

*"Australian Administration Services Pty Limited ("AAS") has prepared this report ("Annual Report") on the basis of information received to AAS by Mechanical and Electrical Redundancy Trust Pty Limited ("Trustee"), the custodian of the assets of MERT ("Fund"), the investment manager of the Fund and any other person directed by the Trustee to provide information to AAS for the purposes of the Annual Report ("Report Information").*

*The Trustee Report also contains such other information that AAS is required to provide to the Trustee in accordance with the administration agreement between the Trustee and AAS ("AAS Information"). "AAS provides the AAS Information on the same terms as the administration agreement. AAS makes no representations or warranties as to the accuracy of the Report Information. AAS does not adopt or endorse the Report Information and recommends that the Trustee make its own enquiries to confirm the accuracy of the Report Information.*

*"AAS has prepared the Annual Report for the information and benefit of the Trustee and specifically disclaims any liability arising from loss, damage or costs sustained by any third party to whom the Trustee provides the Annual Report. The Trustee shall indemnify AAS in respect of any loss, damage or costs arising out of any third party claim against AAS in relation to the Annual Report."*