

# Employer Booklet

Mechanical and Electrical Redundancy Trust – Valid as at January 2009

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The contents of this handbook are not designed to replace the Trust Deed, which sets out the rights and obligations of all parties involved in the Trust, rather the handbook provides answers to those most commonly asked questions about the Trust.

## What is a Trust?

A Trust is an obligation (set out in a document called the Deed) which requires a Trustee (company or person(s)) who control the assets of the Trust for the benefit of the Trust's members.

## Trust Deed

A Trust Deed is a document that sets out the rights and obligations of all parties involved in the Trust. It deals with eligibility of membership, the rate and frequency of contributions, investments, accounts, reports and benefits available to members.

## The Mechanical and Electrical Redundancy Trust

The Mechanical and Electrical Redundancy Trust was established by mechanical and electrical unions and employer organisations with the primary purpose of providing benefits to workers in the building industry at the time of redundancy.

The Trust provides Employers with a practical form of assistance in implementing the Redundancy provisions of Industrial Awards and Agreements.

The Trust objectives are:

- (a) the funding of Award obligations by Employers to make Redundancy payments to members;
- (b) to provide benefits to members in excess of minimum award conditions;
- (c) to provide a source of funds to be applied for the benefit of the Industry; and
- (d) to preserve the value of members accumulated contributions.

## The Trustee

The Trust is controlled by a Trustee company. The Board of Directors of the Trustee company is comprised of equal representation by the following employer associations and unions.

- ▶ Electrical Trades Union of Australia (NSW Branch).
- ▶ The Australian Workers' Union.
- ▶ Amalgamated Metal Workers Union.
- ▶ National Electrical and Communications Association (NSW Chapter).

## Income Distribution

The Trust Deed provides for the distribution of income, net of all expenses to members and employers. Income can also be retained and taxed to build up Reserves or used for any purpose as determined by the Trustee.

## Administration of the Trust

Australian Administration Services Pty Ltd (AAS), has been contracted to administer the Trust on a day-to-day basis. The Administrators are the instrument of the Board of Directors, complying with the policies and the directions of The Board in respect of:

- ▶ Maintaining records of all contributors and Members including periods of employment with each Employer.
- ▶ Issuing monthly contribution returns.
- ▶ Receiving contributions and the allocation of such to Member accounts.
- ▶ Monitoring contribution payments and initiating collection activity where contributions fall in arrears.
- ▶ Issuing six monthly statements to Members.
- ▶ Providing annual reports to Employers and details of all contributions paid each year.
- ▶ Processing Member claims made directly against the Trust.
- ▶ Issuing Trust Distribution cheques and tax statements to Members and Employers.

### *Please Note:-*

*Enquiries regarding any administration matter can be made by telephone or by visiting the office of the Administrator. Please refer to the back of this booklet for the address and telephone details.*



## Deed of Adherence

Employers joining the Trust are required to complete a Deed of Adherence (see Appendix A).

This legal document binds the Employer to the Trust Deed which sets out the rights and obligations of all parties to the Trust.

A Deed of Adherence is provided as an attachment to this booklet. If you require additional Deeds of Adherence, contact the Administrator or download a form from the MERT web site [www.mert.com.au](http://www.mert.com.au).

Employers are required to complete sections A or B and either:

- ▶ Section C applies to a company.
- ▶ Section D is completed by a sole proprietor
- ▶ Section D is completed by a partnership.

Please note:- As a signatory to The Deed of Adherence, you are legally bound to the stipulations contained in the Trust Deed and should ensure you are familiar with your rights and obligations as set out in the Deed.

## Stamp Duty

Most States require the Deed of Adherence to be registered with the Commissioner of Stamp Duties (or similar State body). A table of the current Stamp Duties applicable per state is provided for your convenience below, as of January 2009.

	Rate \$
Australian Capital Territory	Nil
New South Wales	Nil
Northern Territory	Nil
Queensland	Nil
South Australia	Nil
Tasmania	\$20.00
Victoria	Nil
Western Australia	\$20.00

*Please forward your completed Deed of Adherence and a cheque for the applicable Stamp Duty (made payable to Commissioner of Stamp Duties) to the Administrator.*

## Effective Date of the Deed

The effective date is in Section A of the Deed of Adherence and is the date from which contributions are required to be paid.

The effective date is not necessarily the date on which the Deed of Adherence was signed (at the top of the Deed).

## Welcome Letter

On joining MERT, an Employer will receive a Letter of Welcome, a brief administration summary and a copy of their signed Deed of Adherence.

*Eligible Members are those covered by a Deed of Adherence signed by their Employer. Eligible Members are engaged in Relevant Service and are not apprentices. Employers are required to make contributions for Eligible Members engaged in Relevant Service.*

## Relevant Service

Relevant Service means;

in respect of a Member, service by that Member:

- (a) on a building project; and
- (b) while that Member is covered by one of the Awards listed in the Redundancy Pay Agreement, an Award, or other industrial agreement that provides for contributions to be made to a redundancy fund.

Engineering construction and the cottage industry are excluded from this definition. The Trust will, however, accept contributions outside these circumstances. This is to facilitate situations where industrial agreements or contractual conditions impose obligations to make contributions for members, beyond those imposed by the Trust Deed.

## Apprentices

There is no provision in the Trust Deed for apprentices.

## Membership Application Forms

A signed and duly completed Membership Application Form should be lodged (by mail or fax) with the office of the Administrator.

It is essential that all mandatory details are obtained and lodged for a Membership Card to be issued, and a benefit payment processed. Membership application forms can be obtained from the Administrator.

## Letter of Welcome

Shortly after the receipt of a Member's mandatory details, the Member receives a Letter of Welcome to the Trust. The letter provides membership details including a unique membership number and the rate of contribution being paid on their behalf.

## Membership Cards

On receipt of the first contribution payment from the Employer, a membership card is posted to the Member's home address. This card is similar to a plastic credit card, and if lost or destroyed, can be replaced by contacting the Administrator.

Membership Cards are for identification only and do not guarantee any form of entitlement.

## Change of Member Details

To ensure the Member receives all correspondence, especially financial statements, it is important that the Administrator is notified of any changes in address or other particulars.

## Beneficiaries

If a payment under Clause 28 of the deed is due to a deceased Member, the Trustee may make that payment at its discretion, to either the legal personal representative, nominated beneficiary or the estate of the deceased Member.

Personal circumstances can change, and the Trustees must be advised in writing if there is a change to the proposed beneficiary.

## What is a Contribution Return?

A contribution return is similar to a statement of account. They are issued by the Administrator to the contributing Employer each month and contain details of the Members (as per the previous month's Return) together with individual and aggregate contributions required (refer to Appendix B).

## Information in the Return

- ▶ A summary of contributions due.
- ▶ One-off notes to employers (see top of first page).
- ▶ Provision to add new Members.
- ▶ Terminating existing Members.
- ▶ A detailed "statement of account" including debit or credit balances.
- ▶ A receipt and account summary (please retain this for your records) including arrears, items affecting the account balance and contributions processed since the issue of the last contribution return.

## Adding a Member

Employers need to add new Members to the contribution return in the month that contributions have begun to be made. The contribution return should also have included the date of birth and current address for each new Member.

For each new Member, a duly signed and completed membership application form should be forwarded to the Administrator.

## Terminating a Member

Members who have ceased employment since the lodgement of the last contribution return should be deleted from the new return and the termination date and reason code inserted.

## Periods of Non-Entitlement

When no contribution payments are required for a particular month(s), advice of such is still required by the Administrator. The contribution return affected by the nil payment should be endorsed - 'NIL RETURN' and forwarded to the Administrator as usual.

## Obligations of Contributors

Each contributor to the Trust is bound by the Deed of Adherence which requires the Employer to pay a stipulated weekly amount per Member to the Trust.

## How Payments are Calculated

The participating Employer shall make a full weekly contribution in respect of each Member (covered by a Deed of Adherence) who is engaged in Relevant Service.

The rate of contribution is determined by the number of Fridays in each month. e.g. January 2009 has five Fridays, and hence the contribution for a Member if the weekly rate was \$40.00 would be \$40.00 x 5 weeks = \$200 for January.

## The Rate of Contribution

The minimum rate of contribution is \$25.00 per week per Member, or such other higher rate as agreed to by way of industrial agreements, contracts etc.

At the discretion of the Trustee the Employer may calculate the contribution on a pro-rata basis (part of a week) where such is provided for on any applicable award, enterprise agreement or other industrial agreement.

## Contribution Payments

Cheques are made payable to MERT and should be forwarded by the 14th of the following month with the contribution return.

## Overpaid Contributions

Occasionally, an Employer may miscalculate the rate of contribution to be credited to a Member's account and an overpayment results. As the value of the overpayment has been credited to a Member's account we cannot alter the account balance without the approval of the Directors.

To request a refund, an Employer should put the request in writing to the Administrators. Such requests will be considered by the MERT Directors.

A Statutory Declaration must be provided by the Employer to the effect that an overpayment has occurred.

If a Member has ceased employment and an overpayment has resulted, a copy of the PAYG Payment Summary or termination certificate must also be included.

## Overdue Contributions

If the Employer fails to make a particular monthly contribution payment, the next contribution return will have a message to that effect.

The account summary (always the last page of the contribution return) will itemise all contributions in arrears.

Overdue contributions constitute a debt to the Trust and are subject to interest of 2% over the overdraft rate as determined by the Commonwealth Bank. Other collection expenses such as legal fees are also recoverable through the Courts.

The Trust provides Employers with a practical form of assistance in implementing the Redundancy provisions of Industrial Awards and Agreements.

## Entitlement to Payment of Benefits

On Redundancy, a Member's entitlement is claimed directly from MERT after the Member lodges a claim form.

This can be obtained from AAS or from the MERT web site.

## Redundancy - A Definition

The Trust Deed defines "Redundancy" to mean, in relation to a Member, a situation "where an Employer has made a definite decision that he/she no longer wishes the job a Member has been doing, done by anyone, and that decision leads to the termination of employment of the said Member."

'Redundant' has a corresponding meaning. The payment mechanism will also apply where an employer has an obligation to make a redundancy payment under the redundancy provisions of an award, not withstanding that the award definition of redundancy differs from the Trust Deed definition.

## Documentation

Documentation required, includes:

- ▶ Signed Separation Certificate from Employer.
- ▶ Completed redundancy benefit claim form.

*Note: It is an essential requirement that all parts of the claim are completed and signatures of both Employer and Member are provided.*

## Benefit Payment

A cheque will be issued in favour of the Member within five working days of receipt of a Claim provided that;

1. All documentation has been duly completed.
2. The last Employer contribution payment has been cleared by the bank.

In some circumstances, a claim may require the approval of the Trustee prior to payment e.g. Death.

## Death Benefit Payments

Death benefits are payable to the nominated beneficiary or legal representative. Birth, Death and Marriage certificates, proof of dependency, a Will or Letters of Administration will be required.

## Rollover

Members eligible to claim a Redundancy benefit should consider if they can roll over their benefit into a superannuation fund. The rules relating to Employment Termination Payments (ETP's) were substantially re-written from 1 July 2007 such that only 'Transitional ETP's' paid after 1 July 2007 can be rolled over. MERT members who are entitled to significant redundancy benefits should consider obtaining advice before payment.

## TAX & TAX FILE NUMBER

All payments made by MERT to Members are classified as Employment Termination Payments (ETP's) under the Income Tax Act and are therefore taxed accordingly.

PAYE Tax Rates are:

- ▶ If a Worker is aged less than 55 years - 30.0% plus the Medicare Levy
- ▶ If a Worker is aged 55 years or more - 15% plus the Medicare Levy

The Federal Government requires that Members advise the Trust of their TAX FILE NUMBER when requesting a benefit to be paid. If a Member's Tax File Number is not provided, the Trust is required to deduct Tax at the highest marginal rate, plus the Medicare levy.

## TRANSFERS

A Member may transfer their contributions from a similar Redundancy Fund eg. ACIRT to MERT provided their Employer is a participating Employer of the aforesaid Fund. If you require a transfer application form, contact the Administrator or download a form from the MERT web site.

At the discretion of the Trustee, a Member's account may be transferred to a similar Redundancy Fund.

## STATEMENTS

Members receive six monthly Statements showing all employer contributions received for the period.





## Section C: Execution by Company Employer

Executed as a deed by **THE EMPLOYER IN SECTION B**

If you do not have a company seal, then you are required to provide a copy of a document as supplied by the Australian Securities and Investment Commission (ASIC), which verifies that the person(s) who have signed the Deed of Adherence, are officers of the company.



Signature of Authorised Person



Office Held

Name of Authorised Person (print)

Signature of Authorised Person



Office Held

Name of Authorised Person (print)

## Section D: Execution by Individuals (including sole proprietors and partners)

Signed, sealed and delivered by **EACH EMPLOYER IN SECTION B**  
in the presence of:

Signature of Witness



Name of Witness

Signature of Employer



Name of Employer

Signature of Witness



Name of Witness

Signature of Employer



Name of Employer

Signature of Witness



Name of Witness

Signature of Employer



Name of Employer

Signature of Witness



Name of Witness

Signature of Employer



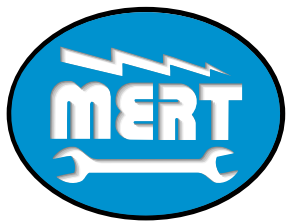
Name of Employer

## Acceptance of Application

The application contained in this Deed shall be deemed to be accepted by the Trustee and the covenants in the Deed binding on the employer on the date of its receipt by the Trustee, unless within 30 days of receipt of the Deed, the Trustee notifies the employer of the Trustee's rejection of the employer's application.

Mechanical and Electrical Redundancy Trust ABN 98 521 053 102

**REGISTERED OFFICE: 28 BURWOOD ROAD, BURWOOD NSW 2134**

**Account Summary & Contribution Return**

Account Summary - JUNE 2008

Norman John Smith  
SUNNYVALE ELECTRICAL PTY LTD  
GPO Box 1234  
CANBERRA ACT 2601

**Employer Number:**

1234567

**Notes**

Not available for a reprint

**Important Messages**

To make your payment, please complete and return the Contribution Return by the **14th of next month** to ensure that any changes you have made are included on the following months return.

**Existing Members**

Check that the membership details are correct and amend where necessary.

Check and amend the number of weeks/months if they do not agree with the period you are paying for.

Enter the contribution amounts in the appropriate columns.

**New Members**

Enter new members and their contributions in the place provided on the reverse side of the return. Please ask the new member to complete a "Membership Application Form". If you are supplying a new member's Tax File Number please make sure that you have their permission.

**Terminated Members**

Please supply the termination dates and enter the reason code in the space provided.

**New Addresses**

If an existing or terminating member has a new address please enter it on the reverse side of the return.

**Balancing the Return**

Add the columns and complete the "Grand Total". If there are any "unpaid contributions and over/under payments" adjustments detailed below you should make the necessary adjustments to the return.

**Mailing Instructions**

Are shown on the return, but don't forget to attach any completed Membership Applications or other items that require our attention.

**Arrears And Unapplied Contributions**

Month	Date Printed	Date Received	Contribution#	#Lines	Value	Status
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Not available for a reprint

**Underpayments And Unapplied Receipts**

Type	Date Received	Number	Value	Balance	Account Balance
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Not available for a reprint

Account Summary - JUNE 2008

**EMPLOYER NUMBER:**

1234567

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**Contributions Applied This Period**

**MONTH:** APRIL 2008      **DATE RECEIVED:** 22/05/08      **CONTRIBUTION #:** 59779281

**LOCATION:** Standard

<b>Member Name</b>	<b>D.O.B.</b>	<b>Membership Number</b>	<b>No. of Wks</b>	<b>Contribution Rate</b>	<b>Total Amount Due</b>
JONES, Paul James	21/09/73	77231	4	50.00	200.00
SMITH, Raymond H	08/02/62	44016	4	50.00	200.00
BEER, Rodney	17/02/81	257312	4	50.00	200.00
<b>Location Total</b>					<b>600.00</b>
<b>Contribution Total</b>					<b>600.00</b>



# Mechanical & Electrical Redundancy Trust

CONTRIBUTION RETURN - FOR JUNE 2008

EMPLOYER NAME

SUNNYVALE ELECTRICAL PTY LTD

EMPLOYER NUMBER

1234567

CONTRIBUTION NUMBER

60995611

**CODES FOR TERMINATED MEMBERS**  
RS RESIGNED  
RT RETIREMENT  
DT DEATH  
TP TOTAL & PERMANENT DISABLEMENT  
LP LEAVE WITHOUT PAY  
ML PARENTAL/MATERNITY LEAVE  
TD TEMP DISABILITY  
CD COMPANY TRANSFER  
OR OTHER

Terminated Members

D D M M Y Y Code

Total Amount Due  
Dollars Cents

Contribution Rate  
Dollars Cents

No. of  
Wks / New

Date of Birth

Member Name

Line Member Number

1 44016 BROWN, Paul 28/04/74 4

2 77231 JONES, Paul 21/09/73 4

3 44016 SMITH, Raymond 08/02/62 4

4 257312 BEER, Rodney 17/02/81 4

Please make your cheque payable to, and mail to:  
**Mechanical & Electrical Redundancy Trust**  
Locked Bag 20 PARRAMATTA NSW 2124

Subtotal

New Employees Total  
(from the reverse side)

Adjust over/under payments  
from previous month/s



MEMBER LISTING

If you have more than 3 new members to advise, please photocopy this form.

EMPLOYER NUMBER:

TITLE	MEMBER'S SURNAME										MEMBER'S GIVEN NAME										CONTRIBUTION RATE									
STREET NUMBER	STREET ADDRESS																				TOTAL AMOUNT DUE									
SUBURB											STATE										TOTAL									
DATE OF BIRTH	EXISTING FUND MEMBER NUMBER (if known)										DATE JOINED EMPLOYER										TAX FILE NUMBER									

TITLE	MEMBER'S SURNAME										MEMBER'S GIVEN NAME										CONTRIBUTION RATE									
STREET NUMBER	STREET ADDRESS																				TOTAL AMOUNT DUE									
SUBURB											STATE										TOTAL									
DATE OF BIRTH	EXISTING FUND MEMBER NUMBER (if known)										DATE JOINED EMPLOYER										TAX FILE NUMBER									

TITLE	MEMBER'S SURNAME										MEMBER'S GIVEN NAME										CONTRIBUTION RATE									
STREET NUMBER	STREET ADDRESS																				TOTAL AMOUNT DUE									
SUBURB											STATE										TOTAL									
DATE OF BIRTH	EXISTING FUND MEMBER NUMBER (if known)										DATE JOINED EMPLOYER										TAX FILE NUMBER									

Please advise of any employees who have recently moved address:

1

MEMBER'S SURNAME										MEMBER'S GIVEN NAME										MEMBER NUMBER																			
NEW ADDRESS																				STATE										POSTCODE									

2

MEMBER'S SURNAME										MEMBER'S GIVEN NAME										MEMBER NUMBER																			
NEW ADDRESS																				STATE										POSTCODE									

Please indicate if you require further supplies of Member Application forms.

Quantity:

# MECHANICAL AND ELECTRICAL REDUNDANCY TRUST



## **MERT Administration**

Australian Administration Services.

Ground Level,

1A Homebush Bay Drive,

Rhodes NSW 2138.

Locked Bag 20, Parramatta NSW 2124.

or phone

**FREE CALL 1800 023 692**



 **Customer Service: 1800 023 692**