APPENDIX G : GLOSSARY

Accumulation Fund	A superannuation plan where the employer and/or employees contribute a set amount that accumulates and earns income for the benefit of the members.
Annuity	A private pension for a fixed term or for life usually bought with a member's Eligible Termination Payment (ETP). An annuity can be bought so that regular repayments are made back to the member in the form of a pension.
Award Based Contributions (or Award Superannuation)	Contributions determined by an Industrial Tribunal paid by the employer to a superannuation plan for all eligible employees.
Commutation	Term used to describe the process whereby one type of superannuation benefit is commuted (changed) to another type, for example conversion from a pension to a lump sum.
Defined Benefits Fund	A superannuation fund that contracts to pay a member a fixed or defined amount of money that is linked to the salary level.
Eligible Termination Payment (ETP)	The lump sum paid to a member on retirement, job termination or death. It includes superannuation contributions and accrued sick leave, but not holiday pay or long service leave. ETPs can be rolled over into approved rollover funds (ADFs and DAFs).
Life Policy	A contract of insurance agreed to when a person purchases life insurance.
Lost Member	The classification given to a member of a superannuation fund whose current postal address is not available.
Lump Sum Benefit	A benefit paid out in a single cash payment.
Occupational Superannuation	Pension or retirement benefit arising from an employment contract.
Portability	Allowing a superannuation plan to be transferred from one fund (or one employer) to another.

Preservation	Maintenance of a member's entitlements in a superannuation fund until a specified minimum age (usually at least 55).
Prudential Controls	The measures instituted to supervise and control activities in the superannuation industry to ensure the security of contributor's funds.
Reasonable Benefits Limit (RBL)	The maximum limit on the amount a member can receive from superannuation, ADFs or DAFs, with preferential taxation treatment. The limit can be calculated from a member's highest average salary.
Rollovers	When a member changes jobs and takes an ETP from a superannuation fund, ADF or DAF, this lump-sum can be transferred to other schemes without losing the tax advantage.
Superannuation Fund	Fund designed to produce retirement benefits for members. To attract tax concessions, it must have these characteristics: (a) be indefinitely continuing, and (b) be maintained solely for following purposes: provision of benefits for fund members, or for dependants of each member in the event of death, or any other purpose allowed by the Insurance and Superannuation Commission in writing.
Unfunded Superannuation	A superannuation plan where no fund has been established but superannuation benefits have been defined; and the employer meets the costs of benefits as they arise.
Vesting	The established entitlement of a member to his or her own contributions to a superannuation fund, the employer's contributions, and accrued interest.