



# AFL PLAYERS' ASSOCIATION PLAYER RETIREMENT SCHEME





# OVERVIEW

## WHAT IS THE AFL PLAYERS' ASSOCIATION PLAYER RETIREMENT SCHEME?

First established on the 1st January 1999, the Player Retirement Account (PRA) was created to assist players in their transition once a player retires from the game.

In 2012, the Player Retirement Account was replaced by the benefits of the new Player Retirement Scheme (PRS). This was a hallmark of the 2012-2016 CBA, and saw improved benefits to players designed to provide both a lump sum and periodic payments to retired players ensuring players receive payments over a longer period.

The AFL Players' Association Player Retirement Scheme is already the best in Australian sport, but through the above advancements, as well as increased contributions into the PRS negotiated through the 2017-2022 CBA, players will be provided with greater financial security and potential for asset growth.

## HOW DO YOU JOIN THE PLAYER RETIREMENT SCHEME?

When you first become a member of the AFL Players' Association, you are automatically eligible to the benefits provided under the regulations that govern the Player Retirement Scheme.

The scheme provides for the AFL to make annual contributions into a retirement account managed by the AFLPA. This contribution is held by the AFLPA until you retire from AFL football. The quantum of the contribution the AFL makes is based on your years of service to the game. The annual contributions are payments made by the AFL as negotiated by the AFL Players' Association in the 2017-2022 CBA to support players following their retirement as an AFL Player.

In every year an AFL Players' Association member is on the list of an AFL club, he receives a financial contribution into the Scheme, which grows over time. The player then receives the benefits of the Scheme in the years after his playing career is over.

If you continue to be a member of the AFL Players' Association during your AFL career, you will remain eligible to receive the benefits provided under the regulations until your retirement as an AFL Player.

## WHAT ARE THE ADVANTAGES OF THE PLAYER RETIREMENT SCHEME AND WHY IS IT SO IMPORTANT?

There are a number of advancements on the old PRA, the first and the most obvious is the fact that this system will deliver greater overall financial benefit to the players.

The introduction of the periodic payments means benefits accruing in a concessional tax environment for a longer period. The power of compound growth of the income and capital gains are added to the balance for the future benefit of Players each year.

The purpose of the PRS is to help players financially transition into the next phase of their life and assist them to gain long-term financial prosperity. Drawing part of a player's entitlement as a periodic payment over a longer term will help ensure players are not victims of financial mismanagement and allow them to meet the various costs of living they will incur later in life.

Under the PRS, we have also secured a Class Ruling on behalf of players from the ATO (CR2017/31). This Tax Ruling confirms the initial lump sum paid to players will be treated as an Employment Termination Payment (ETP) when it is received in July following the player's retirement.

# BENEFITS

## HOW ARE THE ANNUAL AFL CONTRIBUTIONS UNDER THE PLAYER RETIREMENT SCHEME DETERMINED?

Each AFL season you are on the list of an AFL club (regardless whether you signed via the Supplementary Signing Period or Mid-Season Draft), the amounts set out in the table below will be invested in the Players Retirement Scheme for your future benefit. The contribution is then invested with the earnings added to your accrued future entitlement. Each further year you are on the list of an AFL club, an additional amount will be contributed into the account for your future benefit, added to the existing balance and adjusted by the investment performance.

The annual contributions are made by way of three separate payments as follows:

- **February** – 25% of the annual contribution
- **May** – 25% of the annual contribution
- **August** – 50% of the annual contribution

PLAYER SERVICE CATEGORY	2012-2016 CBA PRS CONTRIBUTIONS	2017-2022 CBA PRS CONTRIBUTIONS
Rookies	\$ 7,000	N/A
1 <sup>st</sup> Year	\$10,000	\$10,560
2 <sup>nd</sup> Year	\$12,000	\$12,672
3 <sup>rd</sup> and 4 <sup>th</sup> Year	\$14,000	\$14,784
5 <sup>th</sup> Year	\$15,000	\$15,840
6 <sup>th</sup> Year	\$16,000	\$16,896
7 <sup>th</sup> Year	\$17,000	\$17,952
8 <sup>th</sup> Year	\$18,000	\$19,008
9 <sup>th</sup> Year	\$19,000	\$20,064
10 <sup>th</sup> Year +	\$20,000	\$21,120

Note: For the purpose of the 2012-2016 PRS, a “Rookie” receives a Rookie contribution regardless of the number of years on an AFL list. Under the 2017-2022 CBA, “Rookie” contributions no longer apply with “Rookies” to receive a contribution based on the number of years they have been on an AFL list (same as a primary listed player).

Note: Supplementary Signing Period and Mid-Season Draft players will receive the full contribution noted in the above table based on your year of service on an AFL Club list.

Note: Any player returning onto an AFL club list having previously been retired from the AFL competition, will have their prior years’ service on an AFL club list recognised when the appropriate contribution amount is being determined.

## ANNUAL TELSTRA MARKETING COMMITMENT CONTRIBUTIONS

A pool of funds may be available to be contributed to the Player Retirement Account each AFL season with regards to the Telstra Marketing Program. This payment will take place in October each year the program is in operation. The amount of the contribution is unknown as the amount is linked to the composition of the entire AFL playing list for the season in question. The AFLPA Board has determined the allocation of the contribution for the benefit of Members’ Retirement Account benefits as follows:

PLAYER SERVICE CATEGORY	TELSTRA MARKETING PROGRAM CONTRIBUTIONS
1st Year	X
2nd Year	1.2*X
3rd & 4th Year	1.4*X
5th Year	1.5*X
6th Year	1.6*X
7th Year	1.7*X
8th Year	1.8*X
9th Year	1.9*X
10th Year	2*X

Note: “X” is the minimum amount payable determined by the AFLPA Board

## COLLECTIVE BARGAINING AGREEMENT (CBA) REVIEW CONTRIBUTIONS

As part of the 2017-2022 CBA, the AFL may be required to make an additional “review payment” to the AFLPA for either or both of the periods 1 November 2016 to 31 October 2019 (First Period) or 1 November 2019 to 31 October 2022 (Second Period) with regards to the financial performance of the AFL and AFL clubs. The timing of the review payments for both the “First Period” and “Second Period” will be only once the amounts are audited and agreed.

The review payment shall be attributed in equal parts to each year of the relevant period to which it relates (i.e. in the case of both the “First Period” and “Second Period”, one third of the review payment shall be attributed to each year of the relevant period).

The AFLPA Board has determined the minimum amount accruing for the benefit of a player within the Retirement Account for each relevant year from the review payment will be calculated as follows:

PLAYER SERVICE CATEGORY	2017-2022 CBA REVIEW CONTRIBUTIONS
1st Year	X
2nd Year	1.2*X
3rd & 4th Year	1.4*X
5th Year	1.5*X
6th Year	1.6*X
7th Year	1.7*X
8th Year	1.8*X
9th Year	1.9*X
10th Year	2*X

## ARE THERE ANY ADDITIONAL BENEFITS?

The retirement benefit that you are entitled to receive after you retire or are delisted will be enhanced where you have served on the Board of the AFL Players’ Association, or been a Delegate or Alternate Delegate at an AFL club on or after 1st November 2011. The additional amount contributed to the Retirement Account on your behalf will be calculated as follows:

POSITION HELD	ADDITIONAL BENEFIT
Board Member (2016 onwards)	\$5,000 per AFL Season
Board Member (1999 - 2015)	\$4,000 per AFL Season
Delegate	\$2,000 per AFL Season
Alternate Delegate (1999 - 2014)	\$500 per AFL Season

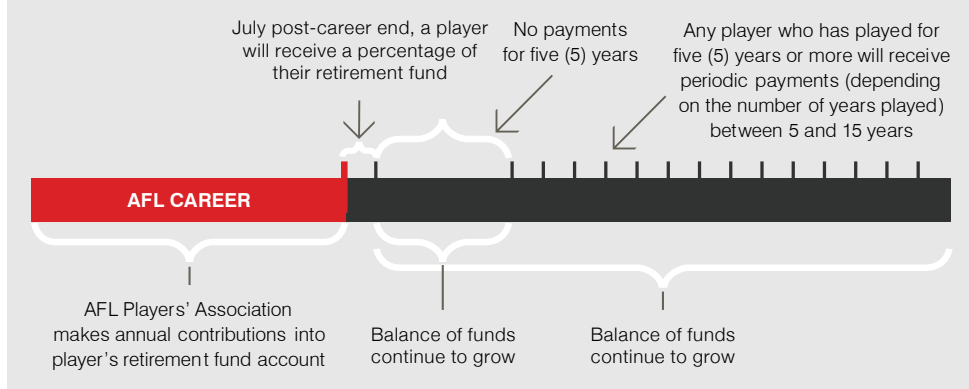
## WHEN DO YOU RECEIVE YOUR BENEFITS?

You are paid a lump sum from your benefits in the July post your career ending. The balance of your Retirement Account will continue to be managed by the AFLPA for a period dependent on your length of service in the game. The amount not paid on retirement will continue to be invested on your behalf by the AFLPA accruing investment earnings.

The following rules will apply to the payment of your benefits as a retirement lump sum and then as a periodic payment:

- For a player with 1–4 years’ service**  
 You will receive the entire amount of your accrued benefits from the Retirement Account as a lump sum in the July post your career ending.
- For a player with 5–7 years’ service**  
 You will receive 30% of your accrued benefits from the Retirement Account, as a lump sum in the July post your career ending, with the balance in your account retained for a further five (5) years accruing investment earnings. After that five (5) year period, the balance in your account and any further investment earnings accrued will be remitted to you in two (2) instalments per year over a further five (5) years.
- For a player with 8–10 years’ service**  
 You will receive 25% of your accrued benefits from the Retirement Account, as a lump sum in the July post your career ending, with the balance in your account retained for a further five (5) years accruing investment earnings. After that five (5) year period, the balance in your account and any further investment earnings accrued will be remitted to you in two (2) instalments per year over ten (10) years.
- For a player with 11 or more years’ service**  
 You will receive 20% of your accrued benefits from the Retirement Account as a lump sum in the July post your career ending, with the balance in your account retained for a further five (5) years accruing investment earnings. After that five (5) year period, the balance in your account and any further investment earnings accrued will be remitted to you in two (2) instalments per year over fifteen (15) years.

# WHEN WILL THE PLAYER RETIREMENT SCHEME BENEFITS BE PAID?



## WHY DO YOU HAVE TO WAIT UNTIL JULY POST YOUR CAREER ENDING FOR THE INITIAL PAYMENT AND THEN FIVE YEARS FOR THE BALANCE?

The initial 8-month period is to ensure when you are delisted or retire, you have actually ended your AFL playing career. It also allows you to take a breath and solidify your plan for life after football before you receive a significant cash injection.

## WHAT IS THE DIFFERENCE BETWEEN THE OLD PLAYER RETIREMENT ACCOUNT (PRA) AND THE NEW PLAYER RETIREMENT SCHEME (PRS)?

### The new Player Retirement Scheme (PRS) explained

Under the new scheme, members are paid a percentage of their accrued benefits in July after their career ends with the balance in their account retained for a further five (5) years accruing investment earnings. It is a system that rewards their time in the game.

As a result of the negotiations for the Collective Bargaining Agreement from 2012–2016 and 2017–2022, the AFL Players' Association has created a structure of benefits referable to the length of time in the game by an AFL player on or after 1st November 2011. The contribution

is based on the number of years a player is listed at an AFL Club (Primary List or Rookie List).

The defined contributions on behalf of each member will be annually invested by the AFLPA in accordance with the rules governing the Player Retirement Scheme, which provide, in certain circumstances, choices in a number of investment options.

Importantly, the player receives the benefit of compound investment earnings over the course of his career and beyond.

### The old Player Retirement Scheme (PRS) explained

From 1999–2011, projected benefits that were based on a defined benefit for each year that a player was on a club list and was calculated and paid in a lump sum 12 months after a player had exited the game. The level of the projected benefits was determined by the number of years the player was on the list, and what list the player was on (i.e. senior/rookie).

The old Player Retirement Account fund also provided some benefit for players who were on an AFL club list in 1999 and had played in the AFL competition prior to 1999.

These Player Retirement Fund projected benefits were funded from contributions

the AFL Players' Association received as part of successive Collective Bargaining Agreements entered into by the AFL Players' Association from 1999 onwards.

The Player Retirement Account was only liable to fund the benefits to the extent that the funds held in the Player Retirement Fund could cover those benefits at the relevant time/s. In the event that there are insufficient funds to pay the projected retirement benefits for each player, the balance of the funds in the Player Retirement Account available would be distributed on a pro-rata basis.

The retirement benefits in respect to the period up to 31st October 2011 are invested as part of the Player Retirement Account.

## WHAT IF YOU HAVE PLAYED BOTH PRIOR TO & AFTER THE 31ST OCTOBER 2011 AND WHAT ARE THE BENEFITS?

If you were on the list of an AFL Club prior to 31st October 2011, your projected benefit for each year that you were on the list (Primary, Veterans or Rookie) for that full AFL season is set out in the table (below).

If you have played both before and after 31st October 2011, your benefit will consist

AFL SEASON	SENIOR LISTED ANNUAL BENEFIT	ROOKIE LISTED ANNUAL BENEFIT
1999	\$10,000	NIL
2000	\$10,000	NIL
2001	\$11,000	NIL
2002	\$11,000	NIL
2003	\$12,000	NIL
2004	\$12,000	\$2,000
2005	\$13,000	\$2,000
2006	\$13,000	\$2,000
2007	\$13,000	50% of the Senior list benefit
2008-2011 (inclusive)	\$14,000	

of an amount calculated in accordance with the rules governing the old Player Retirement Account for your pre 31st October 2011 service and an amount calculated in accordance with the rules governing the new Player Retirement Scheme for your post 1st November, 2011 service.

The total years that you have been on the list of an AFL club/s will determine under which of the scenarios your benefits will be paid out.

Upon retirement or being delisted from the industry, you will have:

(a) an amount in your account consisting of the sum of the yearly contributions plus any investments earnings accrued ("the new Player Retirement Scheme retirement benefit") for the post 31st November 2011 service; and

(b) an amount being your projected benefit for the pre 31st October 2011 service ("the Old Player Retirement Account fund retirement benefit").

## ADDITIONAL BENEFITS

You may be entitled to other additional benefits for:

### A. AFL Players' Association representative service

If you have served on the Board of the AFL Players' Association, or been a Delegate or Alternate Delegate of the AFL Players' Association at an AFL Club in the period 1999 to 2011 (inclusive), your Retirement Account benefit will be increased by the following amounts:

POSITION HELD	ADDITIONAL BENEFIT
Board Member	\$4,000 per AFL Season
Delegate	\$2,000 per AFL Season
Alternate Delegate	\$500 per AFL Season

### B. An In Lieu Private Health Insurance Allowance

If you were on the list of an AFL club in AFL season 2010 and/or 2011, you would be entitled to an additional benefit of \$1,500 for each such AFL season you were on the list.

# INVESTMENT OF FUNDS

## ARE THERE ANY RISKS OF INVESTING?

The aim of investing is to over time increase the value of funds and ultimately payments from the Scheme to you after your retirement from playing in the AFL. This involves investing in different asset classes such as cash, fixed interest, property and shares.

With any investment there is some degree of risk. Each of the asset classes has a different level of expected return and risk. Shares, property and some alternative investments have the potential for high returns but have a greater risk of loss, particularly in the short to medium term. Cash and fixed interest investments generally have lower yet more stable returns. This means that there is a risk that you may lose some of your money. When investing, it is important to understand that:

- the value of investments can fluctuate up and down;
- past returns are not a reliable indicator of future returns; and
- investment returns and capital values are not guaranteed.

## WHAT ARE THE DEFAULT INVESTMENT OPTIONS?

The AFL Players' Association Player Retirement Scheme Advisory Committee has carefully considered the risks of the range of investments available, while also recognising that in general the higher the investment risk the higher the long-term expected investment return and the greater the volatility in returns.

Consistent with the objectives of the Player Retirement Scheme, the Committee has determined that an appropriate balance between risk and return for Player Retirement Scheme members will be achieved by the Player Retirement Scheme providing the following two investment

options to members as default positions if the Player does not proactively choose the investment strategy for his Retirement Account benefits:

- **AFL Players' Association Conservative Option**
  - 30% growth
  - 70% defensive investments
- **AFL Players' Association Growth Option**
  - 70% growth
  - 30% defensive investments

## INVESTMENT OPTION STRATEGIES

	CONSERVATIVE	GROWTH
Investment objectives	Over a rolling five year period to achieve a gross return over inflation of 1% p.a. (net of fees and expenses)	Over a rolling five year period to achieve a gross return over inflation of 4% p.a. (net of fees and expenses)
Level of risk	Low	Medium
Expected no of negative years returns	1 in 10 years	1 in 4 years

These will be provided as default options according to the rules as follows:

- If you are in your 4th or earlier playing year, or have completed your playing career with four (4) or less years played: 100% will be invested in the AFL Players' Association Conservative Option.
- If you are in your 5th or later playing year, or have completed your playing career with five (5) or more years played: 100% will be invested in the AFL Players' Association Growth Option.
- Any player will have the ability to switch up to two times a year in February and August to any one of the investment options on the following page.



## WHAT ARE THE INVESTMENT OPTIONS AVAILABLE TO PLAYERS TO PROACTIVELY CHOOSE?

FUNDS INVESTED IN ASSETS	HIGH GROWTH	GROWTH OPTION	BALANCED OPTION	CONSERVATIVE OPTION	CAPITAL STABLE
Australian shares	46%	34%	22%	10%	3%
Global shares	31%	23%	15%	8%	3%
Property & Other	13%	13%	13%	12%	4%
<b>GROWTH ASSETS</b>	<b>90%</b>	<b>70%</b>	<b>50%</b>	<b>30%</b>	<b>10%</b>
Alternatives	3%	8%	6%	8%	8%
Diversified fixed interest	5%	16%	33%	46%	37%
Cash	2%	6%	11%	16%	45%
<b>DEFENSIVE ASSETS</b>	<b>10%</b>	<b>30%</b>	<b>50%</b>	<b>70%</b>	<b>90%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Based on JANA long-term benchmarks

When you commence your fifth playing year, your accumulated balance will be automatically switched from the Conservative to the Growth Option should you not have exercised your option to switch in your first four years. You will have the option to accept this switch or switch to any of the other investment options above.

When retiring/delisted and not being redrafted, should your investment be in a High-Growth, Growth or Balanced Option, your investment will automatically be rolled over into the conservative option should you not advise that you do not want this to occur. The AFLPA will communicate with players each year advising the date you will have until to advise the AFLPA that you do not want your investment to switch to Conservative.

**For more information on switching, please contact your relevant Shadforth Financial Group adviser on:**

- Brad Wira (08) 9324 6000
- Mark Porter (03) 9649 2400
- Ben Ross (03) 9649 2400
- Cheynee Stiller (07) 3031 1610



## WHO IS THE INVESTMENT MANAGER OF THE AFLPA RETIREMENT ACCOUNT?

JANA Investment Advisors Pty Ltd (JANA) is the current investment advisor to the Player Retirement Scheme.

JANA has its own investment professionals who conduct face-to-face research across all asset classes with domestic and overseas managers in their own domain.

This enables JANA to flexibly manage and prioritise the research programs of local and overseas investment managers as well as exercise its own standards and quality controls over its investment managers.

Investment managers are also assessed on a range of factors in particular their ability to demonstrate capital retention.



# TAXATION

## IS ANY TAX DEDUCTED FROM MY LUMP SUM PAYMENT?

The scheme deducts tax from the lump sum payable under the new Player Retirement Scheme. The receipt of this income needs to be reported in your income tax return in the year of receipt. The AFL Players' Association has obtained an ATO ruling (CR 2017/31) that the lump sum payment will be treated as an Employment Termination Payment (ETP).

Periodic payments made by the scheme to the member, including periodic payments beginning November 2018 to those eligible, will be taxable in the hands of the member.

## FEES

The new Player Retirement Scheme is based upon the establishment and maintenance of individual member accounts for each of the contribution amounts made in respect of service on and/or after 1st November 2011. Your accounts are updated to include the contributions made into your individual account as well as the value of investment returns.

The AFL Players' Association has appointed Equity Trustees Superannuation Ltd (EQT) to provide administration services to establish and maintain these accounts and enable online access to information in the accounts for each member. The cost incurred for 2019 was \$233.27 per member account noting that the fees will be indexed at 4% per annum each year thereafter to 31st October 2022. The annual fee will be charged to your account each year and will appear on your annual statement.

PAYG withholding will be withheld by the AFLPA prior to payments being made to players.

An annual PAYG summary will be provided to you by the AFLPA when you receive an amount from the Players' Retirement Scheme.

## DOES THE AFLPA PAY INCOME TAX ON INVESTMENT RETURNS?

Under current tax arrangements, no taxes are payable by the AFLPA on investment returns while your contributions (and old Player Retirement Account transition benefits) are retained within the scheme. You pay income tax when the amount is paid to you.



Investment managers charge investment fees (which can include a performance fee) that are calculated with each investment manager.

Other expenses are variable and may include registry fees charged by the registrar, financial statement audit fees, general tax consulting expenses and other charges incurred to administer the PRS program.

# WHEN YOU FINISH PLAYING

## WHAT HAPPENS WHEN YOU RETIRE FROM THE AFL?

When you retire from the game, you will be advised in writing by 31st May the following year of the approximate amount of the lump sum you will receive and the approximate date of the payment of that lump sum.

Unless otherwise instructed by you, the payment will be made by direct deposit into your nominated bank account. Where you request payment by another manner or payment to another person or entity, such arrangements will need to be approved by the General Manager – Business Operations of the AFL Players' Association.

The balance of your account will be invested over the next five-year period and be paid out in regular instalments over five, 10 or 15 years depending on the years of service on the list of an AFL club.

## ARE YOU ABLE TO GET EARLY ACCESS TO THE FUNDS IN YOUR ACCOUNT?

In keeping with the broad intention of the scheme to provide retirement income benefits, it is envisaged that early releases will only occur infrequently such as in a situation whereby you had retired and:

- are experiencing or are likely to experience financial hardship;
- have been totally and permanently disabled; or
- have a terminal illness

In these limited cases, you may apply for an early release of the lump sum you will receive in July following your retirement to the Chief Executive Officer (CEO) of the AFLPA via Shadforth Financial Group who in the first instance will complete a financial health check.

If the AFLPA CEO, in his/her absolute discretion, is satisfied that one or more of the above grounds applies to you, the CEO of the AFLPA may, in his/her absolute discretion, grant an early release of part or all of your Retirement Benefit on such terms and conditions as the CEO may, in his/her absolute discretion determine.

If post receipt of your initial lump sum payment you:

- are experiencing or are likely to experience financial hardship;
- have been totally and permanently disabled; or
- have a terminal illness

You may apply for an early release of the funds in your account to the Chief Executive Officer (CEO) of the AFLPA via Shadforth Financial Group who in the first instance will complete a financial health check.

If the AFLPA CEO, in his/her absolute discretion, is satisfied that one or more of the above grounds applies to you, the CEO of the AFLPA may, in his/her absolute discretion, grant an early release of part or all of your Retirement Benefit on such terms and conditions as the CEO may, in his/her absolute discretion determine.

## WHAT HAPPENS IF YOU DIE?

In the event of death, the balance of your account will in normal circumstances form part of your Estate.

As a general rule, the funds would only be released upon production of a Grant of Probate or Letters of Administration, as applicable.

## MEMBER CUSTOMER SERVICE

You will be able to access details of the amount held on your behalf online, via the AFL Players' Association website. By way of the online registration process, you will be provided with a client number and be able to set your password to access your account online. You will have access to online statements, balances, contributions, payments, investments and investment returns.

You will also be issued with an annual statement, which will set out details of each transaction on your account, your investments and investment returns for the year.



## PRIVACY

Keeping your personal information confidential is very important to us and it will be dealt with carefully and sensibly.

Your personal information is important for the proper management of the Player Retirement Scheme. We receive and store information on secure databases maintained by the AFL Players' Association and EQT, as the Player Retirement Scheme Administrator. Your information is only accessible by authorised personnel or authorised service providers of the Player Retirement Scheme who use the information to accurately maintain member accounts.

From time to time, the AFL Players' Association may use general member information for future planning to assist in improving the services provided to members. Unless authorised, required by law or for the purpose of testing a potential

member benefit or service your personal information will not be provided to persons or entities outside of the AFL Players' Association and EQT.

If you do not provide personal information to the AFL Players' Association and/or EQT, which is up to date, the provision of benefits to you in a timely manner may be affected.

The Player Retirement Scheme currently engages EQT to be its administrator. Your personal information will be disclosed to EQT to enable it to set up and administer your account in fulfilling its administrative functions.

If you would like to access, review or make any corrections to your personal information, please contact the AFL Players' Association on 03 8651 4300.

## DISCLAIMER

Information contained in this members' booklet is current as at date of publication.

This booklet contains information of a general nature only, which has been prepared without taking into account the particular objectives, financial circumstances or needs of any member.

A member should seek advice from a qualified financial adviser to determine what, if any, investment options a member may be entitled to choose are appropriate to a member's individual circumstances.

## CONTACT

If you require information on any aspect of the benefits provided under the regulations governing the old Player Retirement Account, you can contact:

AFL Players' Association Business Operations Department during office hours, Monday to Friday - 03 8651 4300.

If you require information on your account under the new Player Retirement Scheme please ring the following toll free number: 1300 659 799.

## **AFL PLAYERS' ASSOCIATION**

Level 2, 170 Bridport Street, Albert Park, VIC 3206

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