



AFSL Disclosures

Protect Severance Scheme No 2 (PSS2)

Introduction

Employee Entitlement Schemes, including Protect, are required to make certain public disclosures as a condition of their application for an Australian Financial Services Licence (AFSL). These disclosures help members and employers understand how the Scheme operates and how their funds are managed.

1. How are employer contributions used?

Employer contributions are deposited into the PSS2 Trust Fund and credited to individual worker accounts. These funds are held in trust and used to pay entitlements to workers in respect of whom contributions are made and related benefits in accordance with the PSS2 Trust Deed.

As an Approved Worker Entitlement Fund, the use of contributions is restricted by the provisions of the Fringe Benefits Tax Assessment Act 1986 – Sec 58PB(4)(c)

2. How is income earned from contributions or other Scheme property used?

Income generated from investing Scheme assets is used to support the operation of the Scheme, including supporting members benefits such as counselling services, covering all costs of administering the fund (members are not charged administration fees), industry related sponsorships and other legitimate expenses. Importantly, income is retained to maintain adequate reserves to protect members' funds against market downturns, and also to make capital distributions in limited circumstances to the Scheme's Sponsors where the Trust Fund holds surplus capital after meeting all worker entitlements. These distributions do not affect worker accounts and occur only where permitted under the Deed.

As an Approved Worker Entitlement Fund, the use of income is restricted by the provisions of the Fringe Benefits Tax Assessment Act 1986 – Sec 58PB(4)(d)

3a. Severance or redundancy payments

Workers are entitled to receive severance benefits when they experience a qualifying severance event which includes termination, genuine redundancy, retirement, permanent incapacity and death.

3b. Long service leave

The Scheme does not create or administer long service leave entitlements. A severance payment may occur at the same time a worker finalises LSL with their employer.

3c. Other employment-related entitlements

The Fund does not make payments for any other employment-related entitlements other than severance entitlements listed in 3a. above.

4. Annual financial reports

Annual Reports can be downloaded from the Governance page of Protect's website, accessed via the About Us menu. After 1 September 2026, annual financial statements and audited reports will be published in the same location.

5. Significant risks

The main risks relate to investment markets which may cause the assets of the Scheme to fall below members' fund balances, changes in industry contribution arrangements, and operational risks such as cyber-security issues or system outages. Protect manages these risks through its Risk Management Framework and Crisis Management Plan, which govern incident detection, escalation and recovery processes to safeguard member funds.

6. Fees

Reasonable expenses can be recovered from the Scheme. Protect Services Pty Ltd, a related company, provides administration services to the Scheme for a fee via a formal Administration Agreement. These fees are paid from investment earnings and are not charged to worker accounts.

7. Related arrangements

The Trustee may engage external providers such as administrators, auditors and investment managers.

8. Complaints

Members can contact Protect via Member Services on 1300 344 249, email info@protect.net.au or use the Contact Us page on the Protect website. From 1 September 2026, Protect will operate an Internal Dispute Resolution process meeting ASIC standards.

