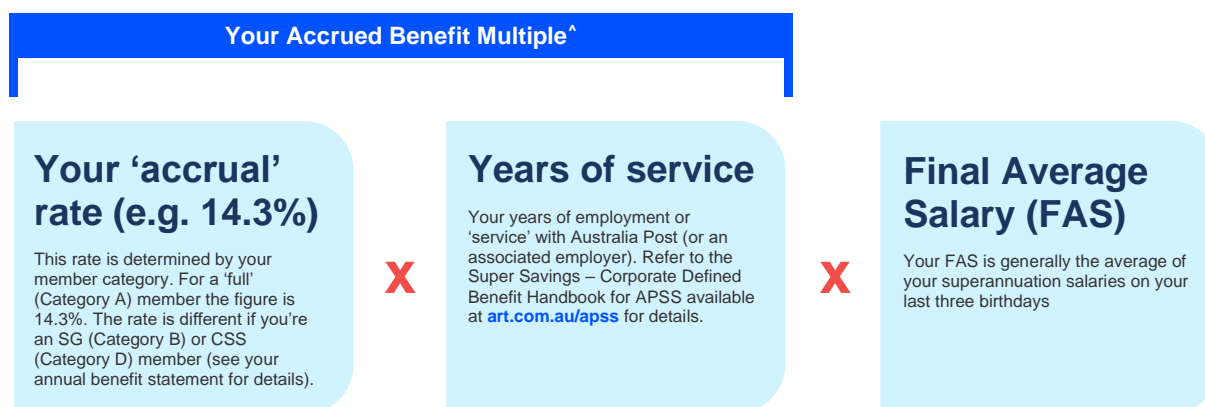


How does an APSS defined benefit work?

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A defined benefit is a superannuation benefit that is defined by and worked out using a specific formula. In this factsheet, we provide a simple explanation of how that formula works for an APSS member entitled to the full '14.3%' APSS Defined Benefit (a Category A member).

The defined benefit formula combines three elements, often expressed like this:



[^] Your accrued benefit multiple may comprise of one or more multiples. Refer to the Super Savings – Corporate Defined Benefit Handbook for APSS at art.com.au/apss for details.

How to work out your FAS

Add together your last three years of super salary on your birthday, then divide by three. For example:

2020 super salary		2021 super salary		2022 super salary		3-year total super salary		FAS
\$55,300	+	\$56,000	+	\$57,000	=	\$168,300	÷ 3 =	\$56,100

Calculating a 14.3% defined benefit – Simple example

Extending the above example, let's assume there are 8 years of full-time service. In this case, the defined benefit can simply be calculated like this:

Membership type		FAS		Years of service		Defined Benefit
14.3%	X	\$56,100	X	8 Years	=	\$64,178

Note: There are procedures in place to make sure your superannuation salary will generally not decrease if your pay decreases. As your FAS is made up of the average of your superannuation salaries on your last three birthdays, your benefit will also generally keep pace with inflation. To find out more about your superannuation salary, see the Your Super Salary factsheet at art.com.au/apss, call us on 13 11 84, or contact your payroll or HR Manager.

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Important information to consider

Calculating your defined benefit is only as simple as in the earlier example if you've only ever been a Category A (14.3%) member with, for example, no probationary service, no service as a Category B ('SG') Defined Benefit member, no pre-1 July 1990 service, and no 'catching-up' to do.

If one or more of these periods of service apply to you, the calculation of your defined benefit is more complicated as different accrual rates apply for each period. A multiple is generally derived by multiplying the relevant accrual rate used in your formula (e.g. 14.3%) by your years of service, adjusting for any part-time periods. For details on your specific benefit, please log in at [Member Online](#) to check your details, and refer to the Super Savings – Corporate Defined Benefit Handbook for APSS available at art.com.au/apss.

APSS defined benefit in the event of death or total and permanent disablement

In the unfortunate event that you become totally and permanently disabled (TPD) or die, the benefit paid to you (or to your beneficiaries) will be at least the same as what would otherwise be paid had you retired or resigned on the date of TPD or death.

Some members are entitled to an additional death or TPD benefit

If you're a Category A member under age 60, an additional benefit will be paid on top of your defined benefit if you die or if you are confirmed to be TPD. This additional benefit is approximately equivalent to the defined benefit you would, under normal circumstances, receive if you remained an eligible employee member to age 60.

Extending the example on previous page further, let's assume the Category A member died or suffered TPD at age 45, exactly 14.175 years before their 60th birthday. As per the previous example, their super salary was \$57,000 and their FAS was \$56,100, resulting in a total benefit payable of \$180,748.

Years of potential membership from date of death or TPD to age 60	Member category	Super salary	Death/TPD benefit
14.175	X 14.3%	X \$57,000	= \$115,540*
Plus defined benefit (as calculated in the example on page 1 with adjustment as explained in the footnote below):			\$65,208**
Total defined benefit in the event of death or TPD:			\$180,748

* This is the additional benefit that's payable in the event of death or TPD (i.e., it's in addition to other benefits, including any Additional Accumulation accounts and, of course, the defined benefit that would have been payable had this member, for instance, resigned rather than died).

** Super salary is currently used to calculate a death or TPD benefit for most Category A members. Because FAS is generally set equal to super salary in all death or TPD benefit calculations for Category A members, the defined benefit in the example above is different from the amount the member would have otherwise received on leaving service. Using our earlier example on the previous page, the difference is calculated as follows: \$57,000 (super salary) - \$56,100 (FAS) = \$900 x 14.3% x 8 years = \$1,030. That \$1,030 is then added to the defined benefit as calculated in the example on page 1 (\$1,030 + \$64,178 = \$65,208). Note that when you're over 58, this calculation uses your future FAS at age 60 rather than super salary, and assumes your current super salary remains unchanged to age 60.

Remember – different members have different benefits!

Death and TPD benefits are not the same across all APSS member categories. The sample on this page is for a Category A (14.3%) member. If you're an 'SG' (Category B) or 'CSS' (Category D) member, please refer to your annual benefit statement and the Super Savings – Corporate Defined Benefit Handbook for APSS available at art.com.au/apss for details on how entitlements apply on death or TPD. Also, please remember that there are strict rules governing the payment of your benefit if you suffer TPD. Don't assume it's automatically paid just because you can no longer work as a result of illness or injury.

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We recommend you seek financial advice before accessing your defined benefit

Before you access your defined benefit, we recommend you speak to your adviser. If you don't have a personal financial adviser, Australian Retirement Trust has qualified financial advisers¹ who can help you over the phone with advice about your Super Savings account. This service is included with your membership. If the advice you need is more complex or comprehensive in nature, we may recommend you see an accredited external financial adviser². Advice of this nature may incur a fee.

¹ Employees in the Australian Retirement Trust group provide advice to members and employers as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), that is wholly owned by the Trustee as an asset of Australian Retirement Trust. SFS is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide at art.com.au/fsg for more information.

² The Trustee has established a panel of accredited external financial advisers who are not employees of the Australian Retirement Trust group. The Trustee is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

We're here to help

For more information, visit art.com.au/apss or contact us on 13 11 84 between 8:00am and 7:30pm AEST, Monday to Friday.

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