

Your Super Salary in APSS

13 11 84 | art.com.au

This factsheet is for defined benefit members who work overtime, shifts or receive additional allowances as part of their pay. It explains how the various components of your pay affect your super salary.

How is my defined benefit calculated?

Your defined benefit is generally calculated using a set formula:

$$\begin{matrix} 14.3\%^1 \text{ or } 11.5\%^2 \\ \text{(depending on your} \\ \text{employment category)} \end{matrix} \times \begin{matrix} \text{Your final} \\ \text{average salary} \\ \text{(FAS)} \end{matrix} \times \begin{matrix} \text{Years of full-} \\ \text{time service}^3 \end{matrix} = \begin{matrix} \text{Your defined} \\ \text{benefit} \end{matrix}$$

1. For permanent employees the rate is generally 14.3%, a lower accrual rate may apply during a probationary period when you were first employed, if any.
2. For casual or fixed-term employees, the current rate is 11.5% (as at 1 July 2024). This rate matches the Government's Superannuation Guarantee rate, which is scheduled to increase to 12% from 1 July 2025. For more information, go to ato.gov.au. If you are a member of the Commonwealth Superannuation Scheme a 3% rate applies.
3. This starts on your first day of work and ends on your last day of work. Years of service are adjusted for part-time work and part years of service. However, your years of service stop increasing from the date you reach age 75 or opt out of being an APSS member (as applicable).

How is my FAS calculated?

'FAS' is simply the average of your super salaries on your last three birthdays. A minimum level of FAS of **\$60,911** (from 1 July 2024 and indexed each year in line with Australia Post's general wage increases) may apply, even if you earn less than this.

Australia Post and associated employers have adopted procedures so that, even if your salary decreases, your super salary and FAS will generally not decrease.

How is my super salary calculated?

Your super salary is generally your full-time equivalent (before-tax) salary as at your last birthday. It includes recognised allowances (explained on next page). If you work part time, your full-time equivalent salary is still used. The components of your salary (base salary, allowances, shift penalties etc.) that are included and excluded from super salary are determined by your employer and advised to Australian Retirement Trust. Not all allowances that form part of your pay will flow through to your super salary.

Example: super salary and FAS

Sam, aged 44, is a permanent Australia Post employee who is a full-time mail officer. His base salary as at his last birthday was **\$61,800**. He also received an allowance of **\$500** a year for first aid and has received total shift penalties of **\$4,200** for the year (he received shift penalties in 22 of his fortnightly pays during the year).

Sam also worked irregular overtime in the year, and he earned \$2,000 in overtime pay.

Sam's **super salary** for this year is:

$$\begin{matrix} \$61,800 \\ + \\ \$500 \\ + \\ \$4,200 \\ = \\ \$66,500 \end{matrix}$$

(Sam's overtime pay of \$2,000 is not included in the Super Salary).

On Sam's previous two birthdays, his super salary was \$63,500 and \$62,000.

Sam's current FAS is:

$$\begin{matrix} \$62,000 \\ + \\ \$63,500 \\ + \\ \$66,500 \\ \div 3 \\ = \\ \$64,000 \end{matrix}$$

Last updated: July 2024

Disclaimer and disclosure This factsheet has been prepared and issued by Australian Retirement Trust Pty Ltd (ABN 88 010 720 840 AFSL No. 228975), the trustee of Australian Retirement Trust (ABN 60 905 115 063) (the Fund). It contains general advice and does not take into account the investment objectives, financial situation or needs of any particular individual. You should consider if the advice is appropriate to your own circumstances before acting on it. You should also consider the relevant Product Disclosure Statement (PDS) before deciding to acquire or continue to hold any financial product and also the relevant Target Market Determination (TMD). We are committed to respecting your privacy. Our privacy policy sets out how we do this. For a copy of the PDS, TMD or Privacy Policy, please phone 13 11 84 or go to art.com.au/apss

Your Super Salary in APSS

13 11 84 | art.com.au

Salary component	Description	Requirements / conditions	Included in super salary?
Base Salary	Your annual salary or full-time equivalent salary on your birthday without any allowances.	For Award employees, this is your base salary defined under your prevailing enterprise bargaining agreement (EBA). For all other employees this is your contract base salary.	✓
Higher Duties	An allowance payable to employees for performing the duties of a higher position.	Must have received higher duties continuously for over 12 months prior to your birthday or there is a likelihood that this will continue for at least 12 months in future. If you have performed higher duties at different levels, the lowest allowance will be used.	✓
Shift Penalties	Employees who work shifts usually receive shift penalties. The shift penalties applied depend on specific criteria determined by your employer including the times and days of the shifts worked.	You must have received a shift penalty for at least 20 out of 26 pay periods prior to your birthday if you are paid fortnightly or 40 out of 52 pay period if you are paid weekly. If you have worked part-time for any of the periods in the calculation, the amount paid is converted to the full-time equivalent. The total amount of shift penalties paid is converted to an annual amount.	✓
Base Salary Allowances	This is usually paid for additional skills on top of your base salary.	These may be a one-off payment, such as a First Aid allowance.	✓
Non-Base Salary Allowances	These are allowances paid from time to time for special tasks.	Examples are linehaul, tonnage and divide and may be a one-off payment. Some exceptions apply, including proficiency allowances, allowances to tradesman for custody of stock, Postal Transport Officers and Postal Delivery Officer relieving allowance (other than on permanent relieving staff).	✓
Overtime	Hours worked in excess of full-time hours.	For employees who work overtime, your overtime pay isn't included in your super salary.	✗
Leave loading	An additional payment, generally providing 17.5% on top of the normal wage, to eligible employees while on approved annual leave.	Leave loading, if you're entitled to it, is not factored into your super salary.	✗
Reimbursements	Reimbursements provided by your employer for allowable expenses you incur in the course of your employment.	Examples include shoe, hosiery and travel expenses for which you're entitled to be reimbursed.	✗
Other allowances	If you are unsure about whether a specific allowance you receive is included or excluded from super salary, please contact Australia Post.		?

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.

Last updated: July 2024

Disclaimer and disclosure This factsheet has been prepared and issued by Australian Retirement Trust Pty Ltd (ABN 88 010 720 840 AFSL No. 228975), the trustee of Australian Retirement Trust (ABN 60 905 115 063) (the Fund). It contains general advice and does not take into account the investment objectives, financial situation or needs of any particular individual. You should consider if the advice is appropriate to your own circumstances before acting on it. You should also consider the relevant Product Disclosure Statement (PDS) before deciding to acquire or continue to hold any financial product and also the relevant Target Market Determination (TMD). We are committed to respecting your privacy. Our privacy policy sets out how we do this. For a copy of the PDS, TMD or Privacy Policy, please phone **13 11 84** or go to art.com.au/apss