

# CBA Group Super Plan Leave Without Pay (LWOP) Division C – Full Members



13 11 84 | [australianretirementtrust.com.au](http://australianretirementtrust.com.au)

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The CBA Group Super Plan is a superannuation plan within Australian Retirement Trust (ART). It's important for you to understand the implications and your options if you have a period of leave without pay (LWOP).

This document summarises the key implications and your options to help you make a more informed choice.

Note: if your accrued benefits multiple has already reached 7.6 (plus a Supplementary Multiple if applicable), you don't have to make a choice in relation to contributions. Your accrued benefits multiple will remain unchanged and for calculating benefits during your LWOP, your salary will remain the same amount as immediately before you started your LWOP.

## Your options

If you're granted a leave of absence without pay, you need to choose between continuing the contributions to your account or stopping contributions during your period of LWOP.

### Option 1 – Continue contributions

You can continue paying contributions for up to 12 months while you're on LWOP. You must advise the Trustee before or during your LWOP that you wish to continue paying contributions by completing a Leave Without Pay Arrangements form available at [art.com.au/cbasp](http://art.com.au/cbasp)

If you don't advise the Trustee or don't pay the required contributions, option 2 – stop contributions will apply.

### What happens to my retirement, resignation and retrenchment benefits if I choose this option?

These benefits are based on your accrued benefits multiple and your final average salary.

Your accrued benefits multiple is calculated as:

the accrued benefits multiple advised by the former fund for your membership period prior to 4 November 2023 *plus* the number fortnights of membership of the Plan in Australian Retirement Trust during which you contribute at the stated contribution rate *times* by the fortnightly accrual rate relevant to that contribution rate

Your period of leave will count towards your membership period if you continue paying contributions. If you contribute at the same rate as you were paying before starting LWOP, your accrued benefits multiple will increase as usual during your LWOP.

For the calculation of your final average salary, your salary will remain the same amount as immediately before you started your period of leave.

### What happens to my ill-health retirement and death benefits?

If you are under age 60, your ill-health retirement and death benefits are calculated using your death multiple. Your death multiple is a combination of your accrued benefits multiple and a component relating to your potential future service until age 60.

If you continue paying contributions at the same rate as you were paying before starting LWOP, both components will be calculated in the same way as they are calculated when you are working. As such, your death multiple would not be affected by your period of LWOP.

For the calculation of your final average salary, your salary will remain the same amount as immediately before you started your period of leave.

### How do I pay contributions while I'm on LWOP?

If you want to continue your contributions, you must advise us by completing and returning a Leave Without Pay Arrangements, Including Direct Debit Request – Divisions B or C form. Contributions at your current rate will be debited monthly from the bank account you nominate on the form.

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Note the first contribution debited may include a catch-up payment for the period between your LWOP starting and the date of the first debit. The final contribution debited may be a pro-rata amount depending on the end date of your LWOP.

## Can I change my rate while on LWOP?

If you choose to continue contributions while on LWOP, this will be based on your current contribution rate. You can change your contribution rate before or during LWOP, so long as it has been at least 6 months since your last contribution change.

To change your rate, complete and return a Change Contribution Rate – Division B, C or E form available from [art.com.au/cbasp](http://art.com.au/cbasp). Any change of contribution rate will continue to apply in the future, including after your LWOP ends, unless you request a subsequent change.

## When will the direct debit stop?

Your contributions will stop during your LWOP at the earliest of any of the below occurring:

- your accrued benefits multiple reaches 7.6
- you reach age 65
- your period of leave without pay reaches 12 months
- you leave employment with CBA Group
- you choose to close your Defined Benefit account in Division C and have your future contributions paid to another fund

If none of these occur, the direct debit will stop once you return to work.

## What happens to my contributions when I finish LWOP?

Your contributions will automatically re-start being deducted from your salary at your current rate when you return from LWOP.

## Option 2 – Stop contributions (default option)

You can advise us that you want to stop your contributions. This option will automatically apply if you don't advise us that you want to continue your contributions or if you don't pay the required contributions.

## What happens to my retirement, resignation and retrenchment benefits if I choose this option?

These benefits are based on your accrued benefits multiple and your final average salary.

Your accrued benefits multiple is calculated as:

the accrued benefits multiple advised by the former fund for your membership period prior to 4 November 2023 *plus* the number fortnights of membership of the Plan in Australian Retirement Trust during which you contribute at the stated contribution rate *times* by the fortnightly accrual rate relevant to that contribution rate

If you're not making contributions, your period of leave will not count towards your membership period. As such, your accrued benefits multiple doesn't increase during the period your contributions are stopped. This means you'll have a lower benefit on retirement, withdrawal, retrenchment or if you choose to close your Defined Benefit account than if you continued to pay contributions.

For the calculation of your final average salary, your salary will remain the same amount as immediately before you started your period of leave.

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## What happens to my ill-health retirement and death benefits?

If you are under age 60, your ill-health retirement and death benefits are calculated using your death multiple. Your death multiple is a combination of your accrued benefits multiple and a component relating to your potential future service until age 60.

The accrued benefits multiple component doesn't increase while your contributions aren't paid, so your death multiple would be lower than if you continued to pay contributions.

For the prospective service component, the accrual rate used is the higher of the rate that would apply:

- if your contribution rate was 5%; or
- using your actual average contribution rate over the previous 78 fortnights

As such, if your average contribution rate immediately before LWOP was higher than 5%, this average will decrease during your LWOP period, so your ill-health retirement and death benefits would be lower than if you continued contributions.

## What happens to my contributions when I finish LWOP?

Your contributions will automatically re-start when you return from LWOP at the same rate as you were paying before your leave started. Your accrued benefits multiple will start increasing once contributions re-start. You can change your contribution rate once every 6 months by completing a Change Contribution Rate – Division B, C or E form available from [art.com.au/cbasp](http://art.com.au/cbasp)

## We recommend you seek financial advice

If you'd like financial advice, speak to your adviser. If you don't have a personal financial adviser, Australian Retirement Trust has qualified financial advisers who can help you over the phone with advice about your Super Savings account. This service is included in your membership.<sup>1</sup> If the advice you need is more complex or comprehensive in nature, we may refer you to an accredited external financial adviser.<sup>2</sup> Advice of this nature may incur an additional fee.

## We're here to help

For more information about your membership in the CBA Group Super Plan, visit [art.com.au/cbasp](http://art.com.au/cbasp) or call us on 13 11 84 between 8:00am and 7:30pm AEST/AEDT, Monday to Friday.

<sup>1</sup> 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 (pdf) at [australianretirementtrust.com.au/fsg](http://australianretirementtrust.com.au/fsg) for more information.

<sup>2</sup> 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.