

# CBA Group Super Plan Leave Without Pay (LWOP) Division D



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

Last updated | November 2023

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 you're over age 65, you don't have to make a choice in relation to contributions. 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 for a period of 2 weeks or more, you need to choose one of the options below for your period of LWOP within one month of being advised of your options. If you don't make a choice, option 1 (stop contributions) will apply.

### Option 1 – 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?

Your retirement benefit is based on your age at leaving the defined benefit division, your period of qualifying membership (up to 35 years) and your final average salary. Your resignation and retrenchment benefits may also be based on these factors, or you can choose to have an accumulation-based lump sum instead.

If you don't make contributions, your period of leave will not count towards your period of qualifying membership. If you don't have 35 years of qualifying membership at the time your benefit is calculated, you'll have a lower benefit on retirement, withdrawal, retrenchment or if you elect choice of fund than if you continued to pay contributions during your period of leave. If you already have 35 years of qualifying membership, there would be no impact to your benefits.

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 disability retirement and death benefits?

If you're under age 60, your disability retirement and death benefits are calculated using your prospective membership until age 60. Your prospective discount factor is a combination of your period of qualifying membership to date and a component relating to your potential future service until age 60.

If you don't pay contributions during your leave, your period of prospective membership to age 60 will be zero. This means your disability retirement and death benefit during your period of leave will be equal to your retirement benefit.

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

Your contributions will automatically re-start when you return from LWOP at 6% of your salary. Your period of qualifying membership will start increasing once contributions re-start.

### Option 2 – Pay limited contributions to continue death and disablement benefit through your period of leave

If you're under age 60, you can pay a reduced contribution amount of 1% of your salary. This will mean your period of prospective membership to age 60 will continue to accrue towards your death and disablement benefit calculation.

If you're over age 60, you don't have any prospective membership period, so you won't receive any additional benefit from taking this option.

# CBA Group Super Plan Leave Without Pay (LWOP) Division D



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

Last updated | November 2023

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

Your period of leave will not count towards your period of qualifying membership, so these benefits may be affected as outlined under option 1 above.

## What happens to my disability retirement and death benefits?

Your period of leave will not count towards your period of qualifying membership, so this portion of your disability retirement and death benefits will be lower. But your period of prospective membership to age 60 will be used for your death and disability retirement benefit calculation.

If your qualifying membership *plus* your prospective membership is 35 years or more, you'll get the maximum disability retirement or death benefit payable.

## 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 D or E form. Contributions at 1% of your salary will be debited monthly from the bank account you nominate on the form.

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.

## When will the direct debit stop?

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

- you reach age 60
- you leave employment with CBA Group
- you choose to close your Defined Benefit account in Division D 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 when you return from LWOP at 6% of your salary. Your period of qualifying membership will start increasing once contributions re-start.

## Option 3 – Continue contributions

You can continue paying contributions while you're on LWOP to keep your benefits at a level similar to what you'd receive if you didn't go on leave without pay. You'll need to contribute at a rate of 18% of your salary during your LWOP.

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

Your retirement benefit is based on your age at leaving the defined benefit division, your period of qualifying membership (up to 35 years) and your final average salary. Your resignation and retrenchment benefits may also be based on these factors, or you can choose to have an accumulation-based lump sum instead.

Your period of leave will count towards your period of qualifying membership if you continue paying 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.

## What happens to my disability retirement and death benefits?

If you're under age 60, your disability retirement and death benefits are calculated using your prospective membership until age 60. Your prospective discount factor is a combination of your period of qualifying membership to date and a component relating to your potential future service until age 60.

# CBA Group Super Plan Leave Without Pay (LWOP) Division D



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

Last updated | November 2023

If you keep paying contributions during your LWOP, both components will be calculated in the same way as they are calculated when you are working.

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 D or E form. Contributions at 18% of your salary will be debited monthly from the bank account you nominate on the form.

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.

## When will the direct debit stop?

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

- you reach age 65
- you leave employment with CBA Group
- you choose to close your Defined Benefit account in Division D 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 via CBA Group payroll at 6% of your salary when you return from LWOP.

## 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 CBA Group Super Plan, visit [art.com.au/cbas](http://art.com.au/cbas) 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.