

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



13 11 84 [australianretirementtrust.com.au](https://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 you're over age 65 or your accrued benefit multiple has reached 8, you don't have to make a choice in relation to contributions while on 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?

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

Your accrued benefit multiple is calculated as:

the accrued benefit multiple advised by the former fund for your membership period prior to 4 November 2023 *plus* the number of years and days of membership of the Plan in Australian Retirement Trust during which you contribute at the stated contribution rate *times* the 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 benefit 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 elect choice of fund 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.

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

If you're under age 55, your disability retirement and death benefits are calculated using your death benefit multiple. Your death benefit multiple is a combination of your accrued benefit multiple and a component relating to your potential future service until age 55.

If you don't pay contributions during your leave, the prospective accrual rate portion of your death benefit multiple 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 the same rate as you were paying before your leave started. Your accrued benefit multiple 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 55, you can pay a reduced contribution amount of 1% of your salary. This will mean your period of prospective membership to age 55 will be used for your death and disability retirement benefit calculation.

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If you're over age 55, you don't have any prospective membership period, so you won't receive any additional benefit from taking this option.

## 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?

If you're under age 55, your disability retirement and death benefits are calculated using your death benefit multiple. Your death benefit multiple, subject to a maximum of 8, is:

Your accrued benefit multiple  
*plus* the number of years and days until you reach age 55 *times* your prospective accrual rate

Your prospective accrual rate is the lower of:

- your average accrual rate for the past 2 years (based on the rate you contributed at over those 2 years)
- 20%

The accrued benefit multiple component doesn't increase while your contributions aren't paid, so your death benefit multiple would be lower than if you continued to pay full contributions. But the prospective accrual rate portion will be used for your death and disability retirement benefit calculation.

## 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 55
- you leave employment with CBA Group
- you choose to close your Defined Benefit account in Division E 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 the same rate as you were paying before your leave started. Your accrued benefit multiple 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 be required to pay contributions at a higher rate than usual to have your period of leave without pay be counted as plan membership when calculating your retirement, withdrawal, disability retirement and death benefits.

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

These benefits are based on your accrued benefit multiple and your final average salary. Your accrued benefit multiple is calculated as:

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

Your period of leave will count towards your membership period if you continue paying contributions, so your accrued benefits multiple will increase as usual during your LWOP. To accrue your full benefit entitlement, you'll need to pay an increased contribution amount as follows:

Contribution rate while working	Contribution rate on LWOP	Accrual rate
0%	9%	0.08
2%	12%	0.12
4%	15%	0.16
6%	18%	0.20
8%	21%	0.24

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 are under age 55, your disability retirement and death benefits are calculated using your death benefit multiple. Your death benefit multiple is a combination of your accrued benefit multiple and a component relating to your potential future service until age 55.

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 benefit multiple won't 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: Division D or E form. Contributions 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.

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## 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, on the anniversary of the date you joined CBA Group.

To change your rate, complete and return a Change Contribution Rate – Division B, C or E form available from [art.com.au/cbasp](https://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:

- you reach age 65
- your accrued benefit multiple reaches 8
- you leave employment with CBA Group
- you choose to close your Defined Benefit account in Division E 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 when you return to work, at the equivalent rate to what you were paying while on 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/cbasp](https://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](https://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.