

How Final Average Salary (FAS) is calculated for the Otis Elevator Superannuation Plan



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The Otis Elevator Superannuation Plan provides a Death Benefit, a Total & Permanent Disablement, a Retirement Benefit, or a Leaving Service Benefit on ceasing employment. A key component of the calculation used to determine the Retirement and Leaving Service Benefits is the Final Average Salary (FAS) and in some cases, FAS will be used to calculate the Death or Total & Permanent Disablement benefit.

More information on these calculations is set out in the Defined Benefit Handbook which can be found under portal.australianretirementtrust.com.au/otis

What is FAS?

Your FAS is your highest weighted annual average salary over any consecutive three-year period in the 10 years of Combined Membership preceding the date of calculation.

How FAS is calculated

It may sound as though your FAS is calculated by adding up the three highest salaries you achieved over the 10-year period prior to leaving employment and dividing by three, but it's a little more complicated than that.

Although you may have had your three highest salaries in the last three years of your employment, the period you had these salaries may span greater than three salary increases.

In summary, weighted daily salaries are used to determine your exact FAS over the 36-month period prior to your exit (assuming your highest three consecutive salaries were before leaving Otis).

For example, if your leaving date was 31 May 2021 and your highest three consecutive salaries were prior to this date, the start of the 36-month period prior to this is 1 June 2018 and all salaries earned within that period would be used in your FAS calculation.

Example

Data collection:

- Your leaving date: 31 May 2022
- 36 months prior: 1 June 2019
- Salary information over the period:

Date range	Days	Salary
1 June 2019 – 31 March 2020	304	\$90,000
1 April 2020 – 30 November 2021	610	\$100,000
1 December 2021 – 31 March 2022	121	\$110,000
1 April 2022 – 31 May 2022	61	\$120,000

Last updated: July 2023

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FAS Calculation: step 1 – Multiply together the salaries by the days each salary was earned

Date range	Days	Salary	Days multiplied by salary
1 June 2019 – 31 March 2020	304	\$90,000	\$27,360,000
1 April 2020 – 30 November 2021	610	\$100,000	\$61,000,000
1 December 2021 – 31 March 2022	121	\$110,000	\$13,310,000
1 April 2022 – 31 May 2022	61	\$120,000	\$7,320,000
Total over 36-month period			\$108,990,000

Step 2 – Divide the total days multiplied by salary by the total number of days

$\$108,990,000 \div 1,096 = \text{FAS}$

Your FAS **\$99,443.43**

Key takeaways

The most important thing to remember about the way FAS is calculated for Otis Defined Benefit plan members is that the final figure will use all salaries earned during the 36-month period weighted by total days earned. The longer you hold a salary within the course of the three-year period used to calculate your FAS, the more weight that salary will have to your final FAS determination.

We're here to help

Defined Benefit calculations can be complex. If you'd like to learn more about your Defined Benefit, or would like support with your account, visit portal.australianretirementtrust.com.au/otis or contact us on 13 11 84 between 8:00am – 7.30pm AEST/AEDT, Monday to Friday.

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