

# TOTAL AND PERMANENT INVALIDITY BENEFIT CALCULATION EXAMPLE

## In this example, Harry's details are:

Age at date of total and permanent invalidity:	45
Years of membership:	19
Final average salary:	\$70,000
Final salary:	\$71,750
Average contribution rate over his 19 years of membership:	7%
Accrued benefit points:	114
Prospective benefit points:	66
Balance of personal account:	\$117,173
Surcharge tax debt or other SASS debts:	Nil
Commonwealth Government co-contribution and LISC:	Nil

**Note:** The information in this example has been used to illustrate how the total and permanent invalidity benefit is calculated. While this example uses commonly accepted assumptions, the balance of your personal account will reflect the actual investment returns achieved during your SASS membership. You should refer to your own Annual Benefit Statement to determine the actual investment returns you have achieved.

The total and permanent disability payable is the sum of:

the full balance of Harry's personal account in SASS **\$117,173**

**plus**

the employer-financed benefit of 2.5% of the higher of the final salary (\$71,750) or the final average salary (\$70,000) for each accrued benefit point at the date the benefit is calculated (114), less the 15% contribution tax for each year of membership from 1 July 1988:

$2.5\% \times \$71,750 \times 114$ , less the 15% contribution tax  
 $\$204,487 \times 15\% (\$30,673) =$  **\$173,814**

**plus**

the Additional Benefit of 4% of the higher of the final salary (\$71,750) or the final average salary (\$70,000) for each prospective benefit point from the date of benefit calculation up to age 58, less the 15% contribution tax for each year of membership from 1 July 1988:

$4\% \times \$71,750 \times 66$  less 15% tax  
 $\$189,420 \times 15\% (\$28,413) =$  **\$161,007**

**plus**

the SANCS basic benefit equal to 3% of the final salary (\$71,750) for each year of membership from 1 April 1988 (19 years), as Harry was less than 55 years of age at the date the benefit was calculated, less the 15% contribution tax for each year of membership from 1 July 1988:

$3\% \times \$71,750 \times 19$ , less the 15% contribution tax  
 $\$40,897 \times 15\% (\$6,134) =$  **\$34,762**

**Harry's total and permanent invalidity benefit: \$486,756**

It's important to note that even where a member has Additional Benefit cover, no Additional Benefit amount would be payable if that member was considered to be only eligible for the partial and permanent invalidity benefit. Additional Benefit cover applies only where a member dies or satisfies the criteria for total and permanent invalidity.