

## DEATH BENEFIT CALCULATION EXAMPLE

### Harry's details are:

Age at date of death:	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
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 death 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 death benefit 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 of death (114):

$2.5\% \times \$71,750 \times 114 =$  **\$204,487**

**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 under 55 at the date of death, so:

$3\% \times \$71,750 \times 19 =$  **\$40,897**

**Harry's total death benefit: **\$362,557****

The value of Harry's death benefit is \$362,557 or 5.05 times his final salary (that is, \$362,557 divided by his final salary of \$71,750 = 5.05).

If Harry had Additional Benefit cover at the date of death, the value of his total death benefit would be boosted by more than 53% to \$551,977.