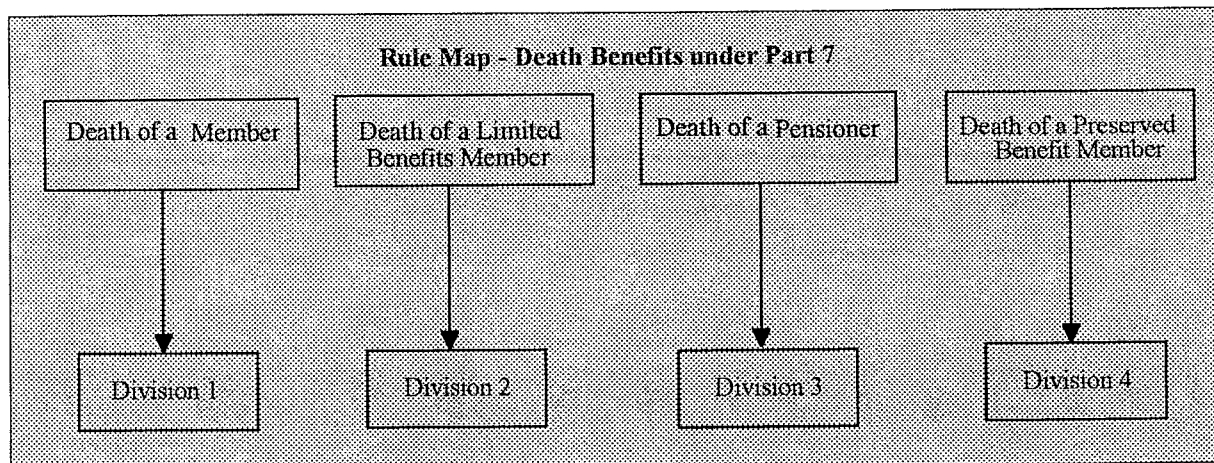


## PART 7 - DEATH BENEFITS



**Note** - Where the **deceased member** had transferred an amount into the **PSS** scheme, an additional benefit accrual under Part 11 is payable in respect of the **deceased member**.

## Division 1

### Death of a Member

#### Spouse's benefit options - with or without eligible children

**7.1.1** The **death benefit accrual** in relation to a **deceased member** who is survived by a **spouse** is payable as a reversionary pension (*see Rule 9.3.2*).

**7.1.2** A **spouse** of a **deceased member** may choose to convert to a lump sum the whole, or any part that is not greater than half, of the pension payable to that **spouse** (*see Rule 9.3.4*).

#### Children eligible for benefit - not living with spouse or where there is no spouse

**7.1.3** A pension in respect of an **eligible child** who is not ordinarily living with a **spouse** of that former member, or in respect of a **partially dependent child**, is payable to, or for the benefit of, that child.

**7.1.4** The **death benefit accrual** in relation to a **deceased member** who is:

- (a) not survived by a **spouse**; but

- (b) is survived by an **eligible child** or children and/or a **partially dependent child** or children;

is payable as a pension (*see Rule 9.3.2*) to, or for the benefit of, that child or collectively to, or for the benefit of, those children. Any amount remaining after deducting the capital value of the pension or pensions, as decided by the **Board** after considering actuarial advice, from the **death benefit accrual** is payable as a lump sum to, or on behalf of, the child or children. The Board will apportion any lump sum between eligible children and/or partially dependent children.

#### No spouse or eligible or partially dependent children

**7.1.5** The **Board** may pay the **death benefit accrual** to any child or children of a **deceased member** who is or are otherwise ineligible for benefits, or to his/her **legal personal representative** if the **deceased member** is not survived by a **spouse** or children entitled to benefits. The **Board** will apportion the amount to be paid to children who are not eligible or partially dependent children between such children.

**7.1.6** The **Board** may pay the **death benefit accrual** in relation to a **deceased member** to one or more individual persons if:

- (a) the **deceased member** is not survived by:
- (i) a **spouse**; or
  - (ii) an **eligible child** or children; or
  - (iii) a **partially dependent child** or children; or
  - (iv) any other child or children;

and

- (b) after making reasonable enquiries, the **legal personal representative** of the **deceased member** can not be found.

The **Board** may apportion the amount to be paid between two or more persons.

**Note:**

A deceased member in this Division **DOES NOT** include a member who died whilst a limited benefits member. See Division 2 of this Part for details of the benefits paid where a member was a limited benefits member at the time of death.

### More About Deceased Member Benefits

#### What is the priority ?

A benefit always becomes payable when a member dies.

A spouse *generally* has priority over any other claims for the benefit of a deceased member. The entire benefit is paid to the spouse except where children who qualify for benefits are not living with that spouse. The existence of children living with the spouse increases the rate of pension paid but it is nevertheless the spouse's entitlement. There is no increase in a lump sum benefit if there are children.

Eligible children who qualify for benefits and who are not living with the spouse receive benefits in their own right, either paid direct to the child or to a guardian. So also do partially dependent children. The benefit paid to the spouse is reduced to provide for these separate children's benefits.

If there is no spouse, eligible and partially dependent children always have first claim. If there is any residual benefit left over after providing pension benefits for these children, the Board will pay it to or on behalf of the children.

If there is no spouse or children entitled to benefits, the Board will decide whether to pay the benefit to any ineligible children or to the legal personal representative of the deceased member.

Finally, if there are no other claimants, the Board may pay the benefit as it sees fit to any other person or persons.

The Board will decide how to share the benefit between two or more beneficiaries.

#### How much can be paid

The Board cannot pay any more than the total value of the deceased member's entitlement, regardless of how many claims are approved.

**For example**, if the member's entitlement is \$100,000, two approved claimants might receive \$50,000 each or one might get \$70,000 and the other \$30,000; regardless of the mix, the total cannot exceed \$100,000.

#### Residual benefits

Residual benefits are worked out by multiplying an actuarially updated dollar value of the pension(s) by an actuarially estimated period of how long the pension(s) will be paid. This amount is then subtracted from the deceased member's entitlement to find out if there is any residual benefit left over.

Residual benefits paid to a dependent person or personal representative are not subsequently adjusted if the pension is actually paid for more or less than the period estimated. That is, no additional benefits are paid, or part of benefits already paid recovered, if children's pensions are paid for a shorter or longer time than anticipated.

## Division 2

### Death of a Limited Benefits Member

#### Spouse's benefit options - with or without children

7.2.1 A spouse of a deceased limited benefits member, with or without eligible children, is entitled to a lump sum of the **final benefit accrual** in relation to that former member. The **Board** will apportion the lump sum between that spouse and:

- (a) any other spouse with or without eligible children; and
- (b) any eligible child who does not ordinarily live with a spouse; and
- (c) any eligible children who do not ordinarily live with a spouse, but who ordinarily live together; and
- (d) any partially dependent child; or
- (e) any combination of such beneficiaries.

#### Children eligible for benefit - not living with spouse or where there is no spouse

7.2.2 Any part of the lump sum apportioned by the **Board** under Rule 7.2.1 to any child or children entitled to benefits is payable to, or for the benefit of, that child, or collectively to, or for the benefit of, those children. There is no option to convert the lump sum to pension.

7.2.3 The **final benefit accrual** in relation to a deceased limited benefits member who is:

- (a) not survived by a spouse; but
- (b) is survived by an eligible child or children and/or a partially dependent child or children;

is payable as a lump sum to, or for the benefit of, that child or collectively to, or for the benefit of, those children. The **Board** will apportion that lump sum between two or more such children who are not living together. There is no option to convert the lump sum to pension.

#### No spouse or eligible or partially dependent children

7.2.4 The **Board** may pay the **final benefit accrual** to any child or children of a deceased limited benefits member who are otherwise ineligible for benefits, or to his/her legal personal representative if the deceased limited benefits member is not survived by a spouse or children entitled to benefits. The **Board** will apportion the amount to be paid to children who are not eligible or partially dependent children between such children.

7.2.5 The **Board** may pay the **final benefit accrual** in relation to a **deceased limited benefits member** to one or more individual persons if:

- (a) the **deceased limited benefits member** is not survived by:
  - (i) a **spouse**; or
  - (ii) an **eligible child** or children; or
  - (iii) a **partially dependent child** or children; or
  - (iv) any other child or children;

and

- (b) after making reasonable enquiries, the **legal personal representative** of the **deceased limited benefits member** can not be found.

The **Board** may apportion the amount to be paid between two or more persons.

## Division 3

### Death of a Pensioner

#### Pensioner survived by a spouse and/or children eligible for benefits

7.3.1 A spouse of a deceased pensioner is entitled to a pension only (*see Rule 9.3.5*).

7.3.2 An eligible child or children and/or a partially dependent child or children of a deceased pensioner who is not survived by a spouse, is or are collectively, entitled to a pension only (*see Rule 9.3.6*).

#### Pensioner not survived by eligible dependents, or no further benefits payable

7.3.3 A lump sum of the amount, if any, by which the sum of a deceased pensioner's:

- (a) accumulated member contributions; and
- (b) accumulated productivity contributions;

exceeds the total amount of benefits if the form of pension or lump sum paid to, or in respect of, the deceased pensioner, including to a spouse or children entitled to benefits, since his/her last day of membership is payable if the deceased pensioner:

- (i) did not retire on invalidity grounds (*see instead Rule 7.3.4*); and
- (ii) was not a preserved benefit member immediately before becoming a pensioner (*see instead Rule 7.3.5*); and
- (iii) had not transferred a transfer amount into the PSS scheme before 1 January 1996 (*see instead Rule 11.3.26*).

The Board may pay the lump sum to any child or children of the deceased pensioner who is or are not otherwise eligible for benefits, or to his/her legal personal representative. The Board will apportion the lump sum to be paid to children who are not eligible or partially dependent children between such children.

7.3.4 A lump sum of the amount, if any, by which the final benefit accrual of a deceased pensioner exceeds the total amount of benefits in the form of pension or lump sum paid to, or in respect of, the deceased pensioner, including to a spouse or children entitled to benefits, since his/her last day of membership is payable if the deceased pensioner:

- (a) retired on invalidity grounds; and
- (b) was not a preserved benefit member immediately before becoming a pensioner (*see instead Rule 7.3.5*); and

- (c) had not transferred a **transfer amount** into the **PSS scheme** before 1 January 1996 (see instead Rule 11.3.26).

The **Board** may pay the lump sum to any child or children of the **deceased pensioner** who is or are not otherwise eligible for benefits, or to his/her **legal personal representative**. The **Board** will apportion the lump sum to be paid to children who are not eligible or partially dependent children between such children.

7.3.5 A lump sum of the amount, if any, by which the sum of a deceased pensioner's:

- (a) **accumulated member contributions** included in the **preserved benefit** at the date it became payable; plus
- (b) **accumulated productivity contributions** included in the **preserved benefit** at the date it became payable;

exceeds the total amount of benefits in the form of pension or lump sum paid to, or in respect of, the **deceased pensioner**, including to a **spouse** or children entitled to benefits, since the **preserved benefit** became payable if the **deceased pensioner**

- (c) was a **preserved benefit member** immediately before becoming a pensioner; and
- (d) had not transferred a **transfer amount** into the **PSS scheme** before 1 January 1996 (see instead Rule 11.3.27).

The **Board** may pay the lump sum to any child or children of the **deceased pensioner** who is or are not otherwise eligible for benefits, or to his/her **legal personal representative**. The **Board** will apportion the lump sum to be paid to children who are not eligible or partially dependent children between such children.

7.3.6 The **Board** may pay the lump sums under Rules 7.3.3, 7.3.4 and 7.3.5 in relation to a **deceased member** to one or more individual persons if:

- (a) the **deceased member** is not survived by:
  - (i) a **spouse**; or
  - (ii) an **eligible child** or children; or
  - (iii) a **partially dependent child** or children; or
  - (iv) any other child or children;

and

- (b) after making reasonable enquiries, the **legal personal representative** of the **deceased member** can not be found.

The **Board** may apportion the amount to be paid between two or more persons

**Death of a spouse in receipt of pension who is survived by children**

**7.3.7** An **eligible child** or children and/or **partially dependent child** or children of a **deceased member, a deceased pensioner** or a **deceased preserved benefit member** is or are entitled to a pension on the death of a **spouse** of the former member (*see Rule 9.3.10*), provided:

- (a) the **spouse** was in receipt of a pension payable in respect of that former member; and
- (b) the **eligible child** or children and/or **partially dependent child** or children was or were living with the **spouse** when the **spouse** died.

**Note:**

Any eligible child not living with a spouse will already be receiving a separate pension in his/her own right



## Division 4

### Death of a Preserved Benefit Member

#### Spouse's benefit options - with or without children

**7.4.1** Where a **deceased preserved benefit member** is survived by one **spouse** only (with or without eligible children), that **spouse** is entitled to a lump sum of the former member's **preserved benefit**, or may choose to be paid the former member's **preserved benefit**:

- (a) wholly as a **pension** (see *Rule 9.3.9*); or
- (b) as part **pension**, by choosing to convert one-half or more of the **preserved benefit** to **pension**, with the balance paid as a lump sum.

An option of a pension cannot be chosen unless the **preserved benefit** includes all of the former member's **accumulated member contributions** (other than any refunded Excess Contribution Multiple, see *Rule 6.9.4*).

**7.4.2** The **Board** will apportion a **preserved benefit** between any:

- (a) **spouse**, with or without eligible children; and
- (b) other **spouse**, with or without eligible children; and
- (c) **eligible child** who does not ordinarily live with a **spouse**; and
- (d) eligible children who do not ordinarily live with a **spouse**, but who ordinarily live together; and
- (e) **partially dependent child**.

**7.4.3** A **spouse** of a **deceased preserved benefit member** entitled to a part of a **preserved benefit** apportioned by the **Board** under Rule 7.4.2 may choose to be paid that part:

- (a) as a lump sum; or
- (b) wholly as a **pension**; or
- (c) as part **pension**, by choosing to convert one-half or more of the portion to **pension**, with the balance paid as a lump sum;

A **pension** cannot be chosen unless, before apportioning by the **Board** under Rule 7.4.2, the **preserved benefit** included all of the former member's **accumulated member contributions** (other than any refunded Excess Contribution Multiple, see *Rule 6.9.4*).

**7.4.4** In spite of Rules 7.4.1 and 7.4.3, where the **preserved benefit** of a **deceased preserved benefit member** does not include the full amount of his/her **accumulated member contributions** (other than any refunded Excess Contribution Multiple, see *Rule 6.9.4*) the **spouse** may choose to take the **preserved benefit** (as apportioned, if required):

- (a) entirely as a pension; or
- (b) as part pension, by choosing to convert a minimum of the **unfunded preserved benefit** included in that **preserved benefit**, or in the apportioned **preserved benefit**, to pension, with the balance paid as a lump sum.

#### Children's benefit - not living with spouse or where there is no spouse

**7.4.5** Any part of a **preserved benefit** apportioned by the **Board** under Rule 7.4.2 to any child, or children, entitled to benefits, is payable as a lump sum to or for the benefit of that child, or collectively to, or for the benefit of, those children. There is no option to convert the lump sum to a pension.

**7.4.6** The **preserved benefit** in relation to a **deceased preserved benefit member** who is:

- (a) not survived by a **spouse**; but
- (b) is survived by an **eligible child** or children and/or a **partially dependent child** or children;

is payable as a lump sum to, or for the benefit of, that child or collectively to, or for the benefit of, those children. The **Board** may apportion that lump sum between two or more such children who are not living together. There is no option to convert the lump sum to a pension.

#### NOTE:

The rate of pension payable to a spouse has regard to the number of children of the deceased preserved benefit member who ordinarily live with the spouse.

Pension is payable to or for the benefit of the eligible or partially dependent children on the death of a spouse of a deceased preserved benefit member, if that spouse had been in receipt of a pension and those children ordinarily lived with that spouse.

#### No spouse or children entitled to benefits

**7.4.7** The **Board** may pay a lump sum of the **preserved benefit** to any child or children of a **deceased preserved benefit member** who are otherwise ineligible for benefits, or to his/her **legal personal representative**, if the **deceased preserved benefit member** is not survived by a **spouse** or children entitled to benefits. The **Board** will apportion the lump sum to be paid to children who are not eligible or partially dependent children between such children.

**7.4.8** The **Board** may pay a lump sum of the **preserved benefit** in relation to a **deceased preserved benefit member** to one or more individual persons if:

- (a) the **deceased preserved benefit member** is not survived by:

- (i) a **spouse**; or
- (ii) an **eligible child** or children; or
- (iii) a **partially dependent child** or children; or
- (iv) any other child or children;

and

- (b) after making reasonable enquiries, the **legal personal representative** of the **preserved benefit member** can not be found.

The **Board** may apportion the amount to be paid between two or more persons.

## PART 8 - PRESERVED BENEFITS

Note: Where the preserved benefit member had transferred an amount into the PSS scheme, an additional benefit accrual under Part 11 is payable to, or in respect of, the preserved benefit member when preserved benefits become payable under this part.

### Division 1

#### Access to the Full Amount of a Preserved Benefit

##### When a preserved benefit becomes payable

8.1.1 A preserved benefit applicable to a preserved benefit member becomes payable in full on the earliest of the following dates:

- (a) the date he/she reaches age 65; or
- (b) the date he/she chooses in a written notice to the **Board**, if the date chosen is:
  - (i) on or after the date he/she reaches age 55; and
  - (ii) on or after the date he/she has reached the **minimum retiring age** for the position he/she held immediately before ceasing membership; and
  - (iii) on or after the date he/she retired permanently, or intends to retire permanently, from the workforce; and
  - (iv) not earlier than the date of the notice to the **Board**; and
  - (v) not later than 60 days after the date of the notice; or
- (c) the date the **Board** decides:
  - (i) he/she is suffering from a **terminal medical condition**; or
  - (ii) he/she is unlikely, because of a physical or mental incapacity, ever to be able to work again in a job for which he/she is reasonably qualified by education, training or experience or could reasonably be qualified after retraining; or
- (d) the date he/she dies; or
- (e) the date the **Board** is satisfied he/she intends to leave Australia permanently; or
- (f) the date the administrators of an **eligible superannuation scheme** agree to accept the **preserved benefit** where it is to be transferred as a result of a choice exercised under Rule 6.8.7.

**Transitional arrangements for certain pre-1 July 1996 preserved benefits members**

**8.1.2** In spite of Rule 8.1.1, a **preserved benefit member** who retired before 1 July 1996 and who has a **preserved benefit** chosen under Rules 6.2.3 or 6.7.7 may choose, at any time, an earlier date than is provided for under Rule 8.1.1 for the payment in full of the **preserved benefit**, provided the date chosen is:

- (a) advised by notice in writing to the **Board**; and
- (b) not earlier than the date of the notice; and
- (c) not later than the date he/she reaches age 65; and
- (d) on or after the date he/she retired permanently, or intends to retire permanently, from the workforce.

**Amount of preserved benefit**

**8.1.3** The amount of a **preserved benefit** applicable to a **preserved benefit member** on a particular day is an amount equal to the sum on that day of:

- (a) the amount (if any) of his/her **accumulated member contributions** which do not include any lump sum paid under Division 9 of Part 6 (*see Rule 6.9.6*); and
- (b) the amount (if any) of his/her **accumulated productivity contributions**; and
- (c) the amount (if any) of his/her **unfunded preserved benefit**.

See Division 8 of Part 10 for the process to be followed where a preserved benefits member claims his/her preserved benefit on invalidity grounds

## Division 2

### Benefit Options Relating to Preserved Benefits

#### Benefit options - on reaching certain ages

**8.2.1** A preserved benefit member whose preserved benefit has become payable under Rule 8.1.1:

- (a) on the date he/she reaches age 65; or
- (b) on the date chosen that is on or after he/she reaches age 55;

may choose:

- (A) to take his/her **preserved benefit**:
  - (i) entirely as a pension; or
  - (ii) as part pension, by converting half or more of the **preserved benefit** into pension, and the balance paid as a lump sum;

provided the **preserved benefit** includes all of his/her **accumulated member contributions** (other than any refunded Excess Contribution Multiple); or

- (B) to be paid a lump sum of his/her **preserved benefit**.

#### Benefit options - on invalidity

**8.2.2** A preserved benefit member whose preserved benefit has become payable under Rule 8.1.1 on the date the **Board** decides the benefit is payable on grounds of a **terminal medical condition** or a physical or mental incapacity may choose:

- (a) to take his/her **preserved benefit**:
  - (i) entirely as a pension; or
  - (ii) as part pension, by converting at least all of his/her **unfunded preserved benefit** and **accumulated productivity contributions** into pension, and the balance paid as a lump sum;

provided the **preserved benefit** includes all of his/her **accumulated member contributions** (other than any refunded Excess Contribution Multiple); or

- (b) to be paid a lump sum of his/her **preserved benefit**.

**Benefit options - on death of a preserved benefit member**

**8.2.3** When a **preserved benefit** has become payable under Rule 8.1.1 on the date a **preserved benefit member** dies, the benefits under Division 4 of Part 7 of these Rules apply.

**No benefit option - on leaving Australia permanently**

**8.2.4** A **preserved benefit member** whose **preserved benefit** has become payable under Rule 8.1.1 on the date the **Board** is satisfied his/her intention to leave Australia permanently is certain, is to be paid a lump sum of his/her **preserved benefit**.

**Transitional benefit options for certain pre-1 July 1996 preserved benefits members**

**8.2.5** A **preserved benefit member** who retired before 1 July 1996 and who has exercised the choice under Rule 8.1.2 to have his/her **preserved benefit** become payable from an earlier date than is provided for under Rule 8.1.1 may choose to take his/her **preserved benefit**:

- (a) entirely as a pension; or
- (b) as part pension, by converting at least all of his/her **unfunded preserved benefit** into pension, and the balance paid as a lump sum.

## Division 3

### Early Access to Part of a Preserved Benefit

**Note:**

Preserved benefit members cannot obtain early access to the unfunded employer component of their preserved benefits.

Early access is limited to accumulated member contributions and, with the approval of the Insurance and Superannuation Commission, accumulated productivity contributions.

#### Access to accumulated member contributions

**8.3.1** A **preserved benefit member** who changes employers, or ceases employment, on or after the date his/her **preserved benefit** became applicable may choose, at any time, to be paid a lump sum of all of the **accumulated member contributions** included in his/her **preserved benefit** and have the balance of the **preserved benefit** remain in the scheme.

**8.3.2** A person who became a **preserved benefit member** as a result of joining an **authorised superannuation scheme** of an authority or body is not considered to have changed employers, or ceased employment, for the purposes of Rule 8.3.1 where:

- (a) his/her employment with the authority or body continues; and
- (b) the authority or body:
  - (i) becomes a statutory authority or body; or
  - (ii) becomes an authority or body in a different form or with a different name; or
  - (iii) is incorporated; or
  - (iv) is amalgamated with a statutory authority or body or with an incorporated body; or
  - (v) is acquired by an incorporated body.

#### Access to accumulated productivity contributions

**8.3.3** A **preserved benefit member** may, at any time, choose to be paid a lump sum to the value approved by the Insurance and Superannuation Commission, but not exceeding the **accumulated productivity contributions** included in his/her **preserved benefit**, and have the balance of the **preserved benefit** remain in the scheme.



**Transitional arrangements for certain pre-1 July 1996 preserved benefit members**

**8.3.4** A **preserved benefit member** who retired on or after **minimum retiring age** before 1 July 1996 and who:

- (a) has a **preserved benefit** applicable under Rules 6.2.3 or 6.7.7 that includes **accumulated productivity contributions**; and
- (b) has permanently retired from the workforce;

may choose, at any time, to be paid a lump sum of all of the **accumulated member contributions** and all the **accumulated productivity contributions** included in his/her **preserved benefit** and have the balance of the **preserved benefit** remain in the scheme.

## Division 4

### Early Access to Preserved Benefit on Involuntary Retirement after Sale or Transfer of Assets

#### Benefit options for certain preserved benefit members on subsequent retrenchment

**8.4.1** A former member who was employed by an organisation, business, service or asset or function nominated by the Minister and agreed by the **Board** immediately before the date of sale or transfer of that organisation, business, service or asset or function by the Commonwealth, and who:

- (a) was not allowed to continue to be a **member** after the sale or transfer; and
- (b) became entitled to a **preserved benefit** under Rule 6.6.3; and
- (c) remains continuously in employment with the new owner or transferee, or any subsequent new owner or transferee; and
- (d) is subsequently retrenched by the new owner or transferee, or any subsequent new owner or transferee, within a period of three years of the date of sale or transfer by the Commonwealth of the organisation, business, service, asset or function; and
- (e) has not reached his/her **maximum retiring age**;

may choose, within three months of the date of the retrenchment:

- (A) any one of the options in Rule 8.4.2 if he/she has not reached his/her **minimum retiring age** and is retired before 1 July 2000; or
- (B) any one of the options in Rule 8.4.2 with the exception of that set out in paragraph 8.4.2(c) if he/she has not reached his/her **minimum retiring age** and is retired on or after 1 July 2000; or
- (C) any one of the options in Rule 8.4.4 if he/she has reached his/her **minimum retiring age**.

#### Benefit options on retrenchment before minimum retiring age and before 1 July 2000

**8.4.2** A **preserved benefit member** who before 1 July 2000 is retrenched under the conditions set out in Rule 8.4.1 before **minimum retiring age** may choose to:

- (a) retain his/her **preserved benefit** in the **PSS scheme**; or
- (b) be paid a lump sum of his/her **preserved benefit**, if the **SIS Act** does not restrict payment of any part of that amount; or
- (c) **roll-over** that amount of his/her **preserved benefit** required to be preserved under the **SIS Act** and be paid the balance as a lump sum; or
- (d) **roll-over** his/her **preserved benefit**; or

- (e) be paid a lump sum of all or some of his/her **accumulated member contributions**, and to:
  - (i) retain the balance of his/her **preserved benefit** in the **PSS scheme**; or
  - (ii) **roll-over** the balance of his/her **preserved benefit**; or
  - (iii) convert the balance of his/her **preserved benefit** into a **pension**.

#### Benefit options on retrenchment after minimum retiring age

**8.4.3** A **preserved benefit member** who is retrenched under the conditions set out in Rule 8.4.1 on or after **minimum retiring age** may choose to:

- (a) retain his/her **preserved benefit** in the **PSS scheme**; or
- (b) take his/her **preserved benefit**:
  - (i) entirely as a lump sum; or
  - (ii) entirely as a **pension**; or
  - (iii) as part pension, by converting half or more of the **preserved benefit** into **pension**, with the balance paid as a lump sum.

#### Savings provision - Repatriation General Hospital, Hollywood

**8.4.4** The hospital which was known as Repatriation General Hospital, Hollywood immediately before the date of sale of that hospital by the Commonwealth is, for the purposes of this Division, an organisation nominated by the Minister and agreed by the **Board** immediately before the date of sale of that hospital.

## Division 5

### Cessation of Preserved Benefits

#### Preserved benefit ceases to be applicable

**8.5.1** A **preserved benefit** ceases to be applicable to a **preserved benefit member** on the earliest of the following dates:

- (a) the date the **preserved benefit** becomes fully payable to, or in respect of, him/her under Division 1 of this Part; or
- (b) the date he/she again becomes a **member**, if the **Board** is aware the **preserved benefit member** has again become a **member** (see Rules 5.2.12 and 5.3.12); or
- (c) the date the **Board** is satisfied he/she should be regarded as having ceased membership on **invalidity retirement** (see Rules 8.5.2 and 8.5.3); or
- (d) the date the **Board** either:
  - (i) accepts a request from him/her to have a Membership Transfer Multiple apply instead of a **preserved benefit** (see Rule 8.5.4); or
  - (ii) directs that a Membership Transfer Multiple is to apply instead of a **preserved benefit** (see Rule 8.5.5).

#### Application for invalidity benefits

**8.5.2** A **preserved benefit member** who, at the date of ceasing membership:

- (a) was not a **limited benefits member**; and
- (b) had not reached age 60;

may apply to the **Board** to be regarded as having ceased membership on **invalidity retirement** on the ground that he/she was **totally and permanently incapacitated** on his/her last day of membership.

**8.5.3** Where, under Division 9 of Part 10 of these Rules, the **Board** is satisfied a **preserved benefit member** should be regarded as having ceased membership on **invalidity retirement** he/she is entitled to benefits payable under Division 3 of Part 6 of these Rules on his/her last day of membership, if:

- (a) his/her **invalidity benefit accrual** or **final benefit accrual** as appropriate, is to be reduced by any amount or amounts already paid; and
- (b) his/her **accumulated member contributions** are to be reduced by any amount or amounts of his/her **accumulated member contributions** already paid.

**Application by a preserved benefit member for a Membership Transfer Multiple**

**8.5.4** A **member** who ceases a concurrent period of membership and is entitled to a **preserved benefit** in respect of that period may, within such period as the **Board** allows, request that a Membership Transfer Multiple apply instead of the **preserved benefit**, provided that the Membership Transfer Multiple does not, at the date of request, cause the **member** to exceed his/her **maximum benefit** (see Rules 5.2.2 and 5.3.22).

**Board may apply a Membership Transfer Multiple in certain cases**

**8.5.5** Where the **Board** becomes aware a **preserved benefit member**:

- (a) was a **member** for less than three months; and
- (b) has another current period of membership;

the **Board** may direct that a Membership Transfer Multiple becomes applicable to him/her instead of the preserved benefit (see Rules 5.2.22 and 5.3.22).

**Combining preserved benefits**

**8.5.6** A **preserved benefit member** who has more than one **preserved benefit** applicable on any 1 July, may choose to combine those benefits. If such a choice is exercised, the individual preserved benefits are replaced with a new **preserved benefit**:

- (a) equal to the sum of the value of the individual benefits on 1 July immediately before the request; and
- (b) containing the number of contribution due days equal to the sum of contribution due days in the individual preserved benefits. No particular **contribution due day** can be counted towards that number more than once.

## Division 6

### Preserved Benefit Increases

#### Funded preserved benefit increases

**8.6.1** Any accumulated member contributions and any accumulated productivity contributions included in a preserved benefit are accumulated with interest while they remain preserved benefits in the PSS scheme.

#### Unfunded preserved benefit increases

**8.6.2** The unfunded preserved benefit included in a preserved benefit that was applicable for at least a whole year at 30 June of any year, is to be increased on 1 July of that year and each successive year by multiplying the amount of the unfunded preserved benefit by the factor calculated using the formula:

$$\text{Unfunded preserved benefit} \times \left( \frac{\text{New CPI} - \text{Old CPI}}{\text{Old CPI}} \right)$$

where:

**New CPI** is the all groups consumer price index number for the weighted average of the 8 capital cities first published by the Australian Statistician in respect of the March quarter immediately before the relevant 1 July; and

**Old CPI** is the highest all groups consumer price index number for the weighted average of the 8 capital cities first published by the Australian Statistician in respect of the March quarter of any year earlier than the year immediately preceding the 1 July to which the new CPI relates,

provided:

- (a) the New CPI number exceeds the Old CPI number; and
- (b) the factor is to be rounded up or down to the nearest one thousandth; and
- (c) the **Board** may reduce the factor where the **preserved benefit** was not applicable for a whole year before the relevant 1 July; and
- (d) any year that commenced before 1 July 1989 is excluded when determining Old CPI; and

- (e) where the Australian Statistician changes the reference base for the Consumer Price Index, regard shall only be had to index numbers first published in terms of the new reference base.

#### Increasing an Unfunded Preserved Benefit

Assuming a preserved benefit member had an unfunded preserved benefit of \$100,000 at 30 June that had been applicable for a whole year or more. If the CPI number for the immediately preceding March quarter was say 140, and the previous highest March CPI number since March 1990 was 130, his/her unfunded preserved benefit would be increased from \$100,000 to \$107,700 on 1 July, ie by adding to the unfunded preserved benefit the amount calculated under rule 8.6.2 as follows.

$$\begin{aligned}
 \text{Increase Factor} &= \$100,000 \times \frac{(140 - 130)}{130} \\
 &= \$100,000 \times 0.077 \text{ (rounded)} \\
 &= \$7,700
 \end{aligned}$$

The new unfunded preserved benefit on 1 July would therefore be \$107,700, ie  
 $\$100,000 + \$7,700$

Note that the *FUNDED* preserved benefit is increased with interest as determined by the Board, based on the PSS Fund earning rate; see rule 8.6.1.

**8.6.3** The Board will apply the principles of Rule 8.6.2 to increase the **unfunded preserved benefit** in respect of a part of a year if the **preserved benefit** becomes payable before 1 July.

## PART 9 - PENSION PAYMENTS

**Note:** Where a former member had transferred an amount into the PSS scheme, an additional pension under Division 3 of Part 11 may be payable to, or in respect of, the former member.

### Division 1

#### When Pensions are Paid

##### Payment of former member and reversionary pensions

**9.1.1** Pensions (but not partial invalidity pensions) under these Rules are paid in fortnightly instalments on the Thursday which fell on 12 July 1990 and on each succeeding alternate Thursday.

##### Payment of partial invalidity pensions

**9.1.2** Partial invalidity pensions payable under these Rules (*see Part 10, Division 5*) are paid in fortnightly instalments on **contribution days**, that is, on the Thursday which fell on 5 July 1990 and on each succeeding alternate Thursday.

**9.1.3** The **Board** may make arrangements with designated employers for them to pay **partial invalidity pension** payments on its behalf. If the **Board** and a **designated employer** agreed under Rule 4.1.7 to substitute other days for **contribution days** for the payment of contributions by or on behalf of the **member**, instalments of **partial invalidity pension** may be paid on those substituted days at the appropriate amount having regard to the period between the substituted days.

##### Fortnightly instalments of pension

**9.1.4** A fortnightly instalment of pension is one twenty-sixth of the annual pension.



## Division 2

### Calculating Retirement and Preserved Benefit Pensions

#### Calculating age, involuntary and sale or transfer retirement pensions

9.2.1 The annual pension payable on the retirement of a **member**, other than **invalidity retirement** before age 60, is calculated in accordance with the formula:

$$\frac{\text{Pension Accrual}}{\text{Pension Conversion Factor}}$$

where:

**Pension Accrual** is the member's **final benefit accrual**, or the proportion of the **final benefit accrual** that he/she chooses to convert to pension in accordance with Part 6 of these rules;

**Pension Conversion Factor** is determined from the following Table according to the member's age in years and days on his/her **last day of membership**:

Table - Pension Conversion Factors	
Age (Whole Years)	Factor
65	10
64	10.2
63	10.4
62	10.6
61	10.8
60	11
59	11.2
58	11.4
57	11.6
56	11.8
55	12

**Ages Less Than 55**  
The Factors for ages less than 55 are 12.0 increased by 0.2 for each whole year the age is less than 55

**Ages More Than 65**  
The Factors for ages more than 65 are 10.0 decreased by 0.2 for each whole year the age is more than 65

**Age Not In Whole Years**  
Where age is not in whole years, the Factor is calculated in accordance with the following formula:  

$$F - \left( \frac{2 \times Y}{D} \right)$$
Where F is the factor for whole years from the table, Y is the number of days in excess of the whole years and D is the number of days in the year next following the whole years.

This rule also applies to the calculation of an annual pension payable under Rule 6.2.4 to a **member** who, on retirement before 1 July 1996, is suffering from a **terminal medical condition**.

**Calculating invalidity pensions**

**9.2.2** The annual pension payable on the **invalidity retirement** of a **member** before age 60 is calculated by dividing by 11 the amount of either;

- (a) the member's **invalidity benefit accrual**, or;
- (b) if the member chooses to take his or her **accumulated member contributions** as a lump sum under Rule 6.5.1, the **invalidity benefit accrual** less the member's **accumulated member contributions**.

**9.2.3** If the **invalidity retirement** of a **member** in receipt of **pre-assessment payments** is backdated, the **Board** may deduct from the arrears of pension due to be paid, the lesser of:

- (a) the amount of any **pre-assessment payments** paid after the **member** became an **invalidity pensioner**; and
- (b) the amount of pension payable to the date any **pre-assessment payments** ceased.

**Note:** the Board may also take action to reduce or suspend the pension depending on the pensioner's annual rate of personal earnings (*See Division 12 of Part 10*).

**9.2.4** A pension payable on the **invalidity retirement** of a **member** before age 60 ceases if he/she again becomes a **member**.

**Note:** A member who ceases membership on invalidity retirement at age 60 or more is entitled to age retirement benefits under Part 6 (*see Rule 6.5.2*).

**Calculating preserved benefit pensions**

**9.2.5** The annual pension payable to a **preserved benefit member** is calculated by dividing that amount of the member's **preserved benefit** which he/she chooses to convert to pension under Rule 8.2.1 by

- (a) a factor determined according to the member's age in years and days on the date the **preserved benefit** becomes payable, from the Table - *Pension Conversion Factors* in Rule 9.2.1. Or;
- (b) a factor of 11 if the **preserved benefit member** has not yet reached age 60, and the **preserved benefit** becomes payable because of a **terminal medical condition**, or physical or mental incapacity referred to in Rule 8.1.1.

### Calculating Pension Factors

Pension factors reduce with age. A reduced factor increases the rate of pension payable. A member's pension factor will be based on his/her age in years and days.

Start the calculation with the 'year factor' for the age of the member in whole years and ***SUBTRACT*** the 'days factor' for any days over that whole year age. As the 'year factor' reduces by 0.2 for each additional whole year, the 'days factor' will be a portion of 0.2.

If a member was exactly 56 years old at retirement the factor would be 11.8 and no adjustment for a 'days factor' would be needed.

However, if he/she was 56 years and 210 days old at retirement, a 'days factor' for 210 days would need to be calculated and ***deducted*** from the 'year factor' for age 56, eg

$$\text{Days factor for 210 days} \quad 0.2 \times \frac{210}{365} = 0.115$$

$$\text{Year factor for age 56} \quad = 11.8$$

$$\text{Pension factor} \quad 11.8 - 0.115 = 11.685$$

Note that, members are treated as having reached a whole year age if they retire on the last working day before their birthday.

(Figures rounded to 3 decimal places.)

## Division 3

### Calculating Pensions Payable on Death

#### Percentage rate of pension according to relationship(s)

**9.3.1** The following table is used for the purposes of Rules 9.3.2, 9.3.5 and 9.3.9 to calculate the annual reversionary pension payable following the death of a **member** (see Rule 9.3.2), an **invalidity pensioner** or a **pensioner** (see Rule 9.3.5), or a **preserved benefits member** (see Rule 9.3.9) according to the number of persons in relationship(s) to the former member (see also Rule 9.3.8).

	Number of persons in Relationship(s)	Relevant %
<b>Part A</b> - spouse or spouses with or without eligible children and/or partially dependent children	1 person (spouse)	67
	2 persons (eg spouse and child or 2 spouses)	78
	3 persons (eg spouse and 2 children)	89
	4 persons (eg 2 spouses and 2 or more children)	100
<b>Part B</b> - no spouse; an eligible child or children, a partially dependant child or children, or both	1 child only	45
	2 children only	80
	3 children only	90
	4 or more children only	100

#### Calculating pensions following the death of a member

**9.3.2** The annual reversionary pension apportionable between a **spouse or spouses** and **eligible children or partially dependent children** following the death of a **member** is the amount calculated in accordance with the following formula:

$$\frac{R \times DBA}{PCF}$$

where:

R is the relevant percentage rate determined from the Table - *Percentage Rate according to the Relationship(s) to the Member, Pensioner or Preserved Benefit Member* in Rule 9.3.1; and

DBA is the **death benefit accrual** in respect of the **deceased member**; and

PCF is the pension conversion factor determined as:

- if the former member died before age 60 - 11; or
- if the former member died on or after age 60 - a factor, according to the former member's age in years and days on his/her date of death, determined from the Table - *Pension Conversion Factors* in Rule 9.2.1.

The amount of the reversionary pension so calculated will be reduced where necessary to take account of the limitation under Rule 9.3.8 of the amount payable if the **deceased member** is survived by a **partially dependent child** or partially dependent children.

### Conversion of pension to lump sum by spouse

9.3.3 The **Board** will apportion the reversionary pension between multiple eligible beneficiaries (*see Rule 9.4.1*).

9.3.4 Where a **spouse** of a **deceased member** chooses under Rule 7.1.2 to convert the whole, or a proportion not greater than half, of the reversionary pension to a lump sum, the lump sum is calculated by the formula:

$$\frac{A \times M \times P}{N}$$

where:

A is the **death benefit accrual** in respect of the **deceased member** less any amount determined by the **Board**, after consideration of actuarial advice, to be the capital value of pensions payable in relation to an **eligible child** or a **partially dependent child** or children determined under Part B of the Table - *Percentage Rate according to the Relationship(s) to the Member, Pensioner or Preserved Benefit Member* in Rule 9.3.1;

M is the annual pension of that **spouse**, determined under Rules 9.3.2 and 9.3.3;

N is the sum of the annual pensions for all spouses of the **deceased member**; and

P is that proportion of the reversionary pension chosen under Rule 7.1.2 to be converted to a lump sum.

### Calculating pensions following the death of a pensioner

9.3.5 The annual reversionary pension payable to a **spouse** of a **deceased pensioner** is:

- (a) for the first seven pension paydays after the death of the pensioner, the annual **pension** that would have been payable to the **deceased pensioner**; and
- (b) thereafter, the highest of the annual rates of pension so payable during the first seven pension paydays after the death of the pensioner, multiplied by the relevant percentage according to the relationship(s) to the **deceased pensioner** determined from the Table - *Percentage Rate according to the Relationship(s) to the Member, Pensioner or Preserved Benefit Member* in Rule 9.3.1;

provided:

- (A) the amount of the reversionary pension so calculated will be reduced where necessary to take account of the limitation under Rule 9.3.8 of the amount payable if the **deceased pensioner** is survived by a **partially dependent child** or partially dependent children; and
- (B) the **Board** may offset the pension in paragraph (a) by the amount of any pension incorrectly paid in respect of the **deceased pensioner** on the first seven pension paydays after his/her death into a bank, credit union or building society that was subsequently withdrawn by the **spouse**.

#### Calculating Spouses' Pensions - Death of a Pensioner

The spouse of a deceased pensioner is entitled to receive the same pension as formerly paid to the deceased pensioner for the first seven pension paydays after the death of the pensioner. This pension is increased if a pension increase would have applied to the pensioner during that period. The spouse's pension is then reduced to whatever amount is applicable depending on the number of eligible and partially dependent children of the pensioner.

**For example**, assume a pensioner with one spouse and two eligible children was receiving pension at \$800.00 per fortnight. Following death, his/her spouse would continue to receive \$800.00 per fortnight for the first seven pension paydays, reduced to \$712.00 per fortnight thereafter, ie \$800.00 x 89%.

**Note:** Entitlement to a spouse's pension ceases on the death of the spouse, even if the spouse dies during the first seven pension paydays after the death of the pensioner.

**9.3.6** The annual pension payable to or for the benefit of an **eligible child** or children or a **partially dependent child** or children, or both, of a **deceased pensioner** who is not survived by a **spouse** or spouses, is the amount calculated by the formula:

$$R \times \text{Annual Pension}$$

where:

**R** is the relevant percentage rate determined from the Table - *Percentage Rate according to the Relationship(s) to the Member, Pensioner or Preserved Benefit Member* in Rule 9.3.1; and

**Annual Pension** is the annual pension payable to the pensioner immediately before his/her death.

The amount of the pension so calculated will be reduced where necessary to take account of the limitation under Rule 9.3.8 of the amount payable if the **deceased pensioner** is survived by a **partially dependent child** or partially dependent children.

**Note:** Maintenance of the former pension for the first seven pension paydays under Rule 9.3.5 does not apply where the deceased pensioner is not survived by a spouse.

**9.3.7** The **Board** will apportion the reversionary pension between multiple eligible beneficiaries in accordance with Rule 9.4.1.

### Calculating pensions for a partially dependant child or children

**9.3.8** If a **deceased member** or **deceased pensioner** is survived by a **partially dependent child** or children, the amount of reversionary pension payable in respect of the number of persons in relationship(s) to the former member or pensioner cannot exceed the sum of:

- (a) the amount that would have been payable if there were no partially dependent children; and
- (b) the annual amount of any regular maintenance payments paid, or required by a Court to be paid, by the former member or pensioner immediately before his/her death in respect of the **partially dependent child** or children.

**Example:**

Assume a pensioner who is receiving a pension of \$20,000 pa dies and is survived by an eligible child and a partially dependent child but no spouse. If the pensioner was paying maintenance of \$6,000 pa to the partially dependent child, the total pension payable would be \$15,000, ie the lesser of:

- 80% of the pensioner's pension, ie  $\$20,000 \times 80\% = \$16,000$  and
- 45% of the pensioner's pension plus maintenance, ie  $(\$20,000 \times 45\%) + \$6,000 = \$15,000$

If, on the other hand, maintenance was \$7,500 pa, the total pension payable would be the full \$16,000 as 45% of the pensioner's pension plus maintenance payments exceeds the 80% level, ie there would not be any reduction.

### Calculating pensions following the death of a preserved benefit member

**9.3.9** The annual reversionary pension payable to a **spouse** of a **deceased preserved benefit member** who chooses to be paid a pension under Rules 7.4.1, 7.4.3 or 7.4.4 is the amount calculated in accordance with the following formula:

$$\frac{R \times PB}{PCF}$$

where:

**R** is the relevant percentage rate determined from the Table - *Percentage Rate according to the Relationship(s) to the Member, Pensioner or Preserved Benefit Member* in Rule 9.3.1; and

**PB** is:

- if the former member is survived by one **spouse** only, that part of the **preserved benefit** chosen by the spouse to be converted to pension; or
- if the former member is survived by more than one **spouse**, that part of the **preserved benefit** as apportioned under Rule 7.4.2 chosen to be converted to pension by the **spouse**; and

**PCF** is the pension conversion factor determined as follows:

- if the former member died before age 60 - 11; or
- if the former member died on or after age 60 - a factor, according to the former member's age in years and days on his/her date of death, determined from the Table - *Pension Conversion Factors* in Rule 9.2.1.



### Two or More Spouses

Where a former member or preserved benefits member had two or more spouses, the preserved benefit payable will be apportioned between them under Part 7.

Each spouse will then decide how much, if any, of his/her share of the benefit will be converted to pension.

### Calculating children's pensions following the death of a spouse in receipt of pension

**9.3.10** On the death of a **spouse** in receipt of a pension, a pension is payable to or for the benefit of an **eligible child**, or children, who was, or were, ordinarily living with the **spouse**. The pension is calculated by multiplying the pension payable to the deceased **spouse** immediately before his/her death, by the relevant fraction shown in the following Table according to the number of eligible children.

Table - Pension Rates on Death of Spouse	
Number of Eligible Children	Fraction
One	45/78
Two	80/89
Three	90/100
Four or more	100/100

**NOTE:**

Eligible children who were not living with the spouse before his/her death will already be receiving a separate pension in their own right. These pensions are adjusted by the Board under Division 5 of this Part to reflect changes in the number of beneficiaries.

## Division 4

### Apportioning Pensions

#### Apportioning pensions

9.4.1 The **Board** will apportion a reversionary pension between any:

- (a) **spouse**, with or without eligible children; and
- (b) **other spouse**, with or without eligible children; and
- (c) **eligible child** who does not ordinarily live with a **spouse**; and
- (d) eligible children who do not ordinarily live with a **spouse**, but who ordinarily live together; and
- (e) **partially dependent child** or children.

The pension payable to any one **spouse**, **eligible child** or **partially dependent child** shall not exceed the amount that would have been payable if he/she was the sole such beneficiary and, in the case of the **spouse** of a **deceased pensioner**, the first seven pension paydays after the death of the pensioner had passed.

**Note:** In the case of a partially dependent child, the effect of this rule is to limit the maximum annual pension to the annual amount of any regular maintenance payments paid, or required by a Court to be paid, by the deceased member or deceased pensioner immediately before his or her death in respect of that child.

#### Re-apportioning pensions in special circumstances

9.4.2 The **Board** may re-apportion any reversionary pension between two or more beneficiaries where it considers special circumstances warrant such a change.

## Division 5

### Adjusting Pensions - Number of Beneficiaries Changes

#### Adjusting spouse's pension when a child ceases to be eligible

9.5.1 The pension payable to a **spouse** who has an **eligible child** or children ordinarily living with him/her is adjusted when such a child ceases to be an **eligible child**. The adjustment is calculated by multiplying the pension payable immediately before the child ceased to be an **eligible child** by the relevant fraction in the following Table according to the remaining number of eligible children ordinarily living with the **spouse**.

Table - Adjustment of Spouse's Pension	
Remaining Number of Eligible Children Ordinarily Living with Spouse	Fraction
None	67/78
One	78/89
Two	89/100
Three or more	100/100

#### Adjusting children's pension where a child ceases to be eligible

9.5.2 The pension payable to, or for the benefit of, eligible children who are ordinarily living together, but not with a **spouse**, is adjusted when a child ceases to be an **eligible child**. The adjustment is calculated by multiplying the pension payable immediately before the child ceased to be an **eligible child** by the relevant fraction in the following Table according to the remaining number of eligible children ordinarily living together.

Table - Adjustment of Children's Pension	
Remaining Number of Eligible Children Ordinarily Living Together	Fraction
One	45/80
Two	80/90
Three	90/100
Four or more	100/100

**Adjusting partially dependent children's pension**

**9.5.4** The pension payable to, or for the benefit of, partially dependent children is reduced when any such child ceases to be a **partially dependent child** by:

- (a) the amount that was payable in respect of the child who ceases to be a **partially dependent child**, where the **pension** was apportioned between the partially dependent children; or
- (b) an amount determined by the **Board**, where the pension was not apportioned between the partially dependent children.

**Adjusting pensions where additional dependants commence to be eligible**

**9.5.5** The **Board** may adjust the amount of a reversionary pension determined under Division 3 of this Part if :

- (a) an additional **spouse** is recognised; or
- (b) a child becomes, or again becomes, an **eligible child** or **partially dependent child** of the **deceased member, deceased preserved benefit member** or **deceased pensioner**.

See Rule 9.3.10 for calculation of children's pensions following the death of a spouse in receipt of a pension.

## Division 6

## Pension Increases

### Calculating pension increases

9.6.1 The annual pension, other than a **partial invalidity pension**, that:

- (a) was payable immediately before 1 July of any year; or
- (b) became payable on 1 July because a pensioner died on the immediately preceding 30 June;

is to be increased by adding to that pension the amount calculated using the following formula:

$$\text{Annual Pension} \quad \times \quad \left( \frac{\text{New CPI} - \text{Old CPI}}{\text{Old CPI}} \right)$$

where:

**New CPI** is the all groups consumer price index number for the weighted average of the 8 capital cities first published by the Australian Statistician in respect of the March quarter immediately before the relevant 1 July; and

**Old CPI** is the highest all groups consumer price index number for the weighted average of the 8 capital cities first published by the Australian Statistician in respect of the March quarter of any year earlier than the year immediately before the relevant 1 July,

provided:

- (A) the New CPI index number exceeds the Old CPI index number; and
- (B) the **Board** may reduce the amount where the pension, or on the death of a pensioner, the primary pension, was not payable for a whole year before the relevant 1 July; and
- (C) any year that commenced before 1 July 1989 is excluded when determining Old CPI; and
- (D) if the Australian Statistician changes the reference base for the Consumer Price Index, regard shall only be had to index numbers first published in terms of the new reference base.

**9.6.2** The increase in the pension calculated under Rule 9.6.1 applies to the instalment of pension falling due on the first **pension payday** after the relevant 30 June and to each subsequent instalment until next adjusted.

#### Increasing a Pension

Assume a pension of \$30,000 per annum was payable to a pensioner on 30 June and had been payable for a whole year or more. If the CPI number for the immediately preceding March quarter was 140, and the previous highest CPI number since March 1990 was 130, the annual pension would be increased from \$30,000 to \$32,310, ie by adding to the existing \$30,000 pension the amount calculated under rule 9.6.1 as follows:

$$\begin{aligned}
 \text{Increase Factor} &= \frac{\$30,000 \times (140 - 130)}{130} \\
 &= \$30,000 \times 0.077 \text{ (rounded)} \\
 &= \$2,310
 \end{aligned}$$

The new annual pension payable on and from the first pension payday on or after that 1 July would therefore be \$32,310, ie \$30,000 + \$2,310

#### Adjusting partial invalidity pensions

**9.6.3** Partial invalidity pensions are adjusted at such times as the **Board** determines (*see Division 6 of Part 10*).

#### NOTE:

Variations in partial invalidity pensions are governed by the effect of a member's physical or mental incapacity on his/her earning ability.

Division 6 of Part 10 deals with the calculation and adjustment of partial invalidity pensions.