

PART 10 - MEDICAL AND INVALIDITY MATTERS**Division 1****New Members' State of Health****Assessing new members' state of health**

10.1.1 The **Board** may require a **member**, or a prospective member:

- (a) to complete and forward to the **Board** a questionnaire prepared by the **Board** concerning his/her health and other matters no later than 14 days after becoming a **member** or such other period as the **Board** allows; and/or
- (b) to undergo one or more medical examinations and/or tests by an **approved medical practitioner** or practitioners nominated by the **Board** within 60 days after becoming a **member** or such other period as the **Board** allows;

unless the **member**:

- (A) transferred from the **CSS scheme**; or
- (B) was in receipt of an invalidity pension under the *Superannuation Act 1976* on 30 June 1990 and continued to receive that pension until joining the **PSS scheme**; or
- (C) transferred from an **approved superannuation scheme** and is entitled to a Non-Cash Transfer Multiple (*see Rules 5.2.25 and 5.3.25*).

10.1.2 The membership status of a new **member** because of his/her state of health carries over from any concurrent membership that began before the new membership, that is, if the new **member**:

- (a) is a **limited benefits member** (*see Division 2 of this Part*) in respect of the concurrent membership, he/she is also a **limited benefits member** in respect of the new membership until the period of the limited benefits membership in respect of the concurrent period ends; or
- (b) is not a **limited benefits member** (*see Division 2 of this Part*) in respect of the concurrent membership, he/she is also not a **limited benefits member** in respect of the new membership.

Division 2

Limited Benefits Membership

Member becoming a limited benefits member

10.2.1 The **Board** may determine that a **member** is, or a prospective member on becoming a **member** would be, a **limited benefits member** if, after considering:

- (a) any questionnaire and report or reports of medical examinations and/or tests completed under Rule 10.1.1; and
- (b) any other matters the **Board** considers relevant;

it is of the opinion that the person is not of sufficiently sound health to carry out all of the duties his/her position would require without taking excessive sick leave during the three years from the date he/she became a **member**, unless the **member** or prospective member has advised the Board that he/she is also a member of the **CSS Scheme** or the **PSS Scheme** in respect of a concurrent period that commenced before this **period of membership** (see Rule 10.1.2).

Note: Membership status, that is whether a **member** is a **limited benefits member** or not, is determined by the **Board** for a person's first **period of membership** and applies to all other concurrent periods (see Rule 10.1.2).

For example, if a person were to commence part-time work and be determined to be a **limited benefits member**, and then two years later also starts to work in a second position concurrently, the person would cease to be a **limited benefits member** one year after commencing his/her second job.

If, on the other hand, the person resigned from the first employment before commencing the second job, and was again determined to be a **limited benefits member** in respect of that job, he/she would not cease to be a **limited benefits member** until three years after commencing the second job.

Period of limited benefits membership

10.2.2 When the **Board** has determined under Rule 10.2.1 that a **member** is a **limited benefits member**, his/her period of limited benefits membership:

- (a) commences on the date of the **Board's** notification that he/she is a **limited benefits member** (see Rules 10.2.4 and 10.2.5); and
- (b) ends three years after he/she became a member.

Notification of limited benefits membership

10.2.3 The **Board** will, as soon as practicable after it has determined under Rule 10.2.1 that a **member** is a **limited benefits member**, or a prospective member would be such on becoming a **member**, notify the person in writing:

- (a) that he/she is, or would be, a **limited benefits member**; and
- (b) of the period of limited benefits membership; and
- (c) of the condition or conditions that led the **Board** to form the opinion he/she is not of sufficiently sound health to carry out all of the duties of his/her position without taking excessive sick leave during the three years after becoming a **member**.

10.2.4 The **Board** will notify a member who is a **limited benefits member** because he/she is such in respect of an earlier commencing concurrent membership (*see Rule 10.1.2*) when the period of limited benefits membership will cease.

Failure to meet requirements of Board

10.2.5 If a **member** is required by the **Board** to complete and forward a questionnaire or undergo a medical examination or test but does not do so within the period allowed under Rule 10.1.1, he/she is automatically a **limited benefits member**.

10.2.6 Where a **member** becomes a **limited benefits member** under Rules 10.2.5, his/her period of limited benefits membership:

- (a) commences on the day following the last day of the period allowed under Rule 10.1.1 to complete and forward the questionnaire or undergo the medical examination or test; and
- (b) ends on the earliest of:
 - (i) the date the **Board**, following receipt of a completed questionnaire or the participation by the **member** in a medical examination or test, determines that he/she ceases to be a **limited benefits member**; or
 - (ii) three years after he/she became a **member**.

Division 3

Additional Death and Invalidity Cover

Board to arrange policy

10.3.1 The **Board** will take out a policy or policies with a **life assurance company** or companies in its name to provide additional death and invalidity cover for members. An additional invalidity and death cover policy is to be on the terms and conditions agreed between the **Board** and the relevant **life assurance company**.

Applying for additional death and invalidity cover

10.3.2 A **member** may apply to the **Board** for additional death and invalidity cover at any time before he/she reaches age 60, provided the amount of cover applied for:

- (a) does not exceed the maximum amount of additional cover allowed (*see Rule 10.3.8*);
or
- (b) would not result in him/her exceeding his/her **maximum benefit**, assuming he/she will be entitled to an Additional Cover Multiple under Rule 5.2.9.

10.3.3 The **Board** may allow the **member** to choose the policy providing the additional death and invalidity cover if the **Board** has taken out more than one policy.

10.3.4 A **member** who applies for additional death and invalidity cover must provide any information and undergo any medical examinations the relevant **life assurance company** requires for it to determine whether it is prepared to provide the additional death and invalidity cover.

Advice to Board and member

10.3.5 If a **member** applies to the **Board** for additional death and invalidity cover, or applies to vary existing cover, the **Board** will ask the relevant **life assurance company**:

- (a) whether it is prepared to provide the additional cover for that **member**; and, if so
- (b) the cost of the additional cover premium, including any extra cost where the **member** was assessed as not being a **standard risk**, on:
 - (i) the date the cover commenced; and
 - (ii) each subsequent birthday of the **member**, or other date as specified in the policy.

The **Board** will provide the information in (a) and (b) from the **life assurance company** to the **member**.

Variation of additional death and invalidity cover

10.3.6 The **member** may vary the amount of additional death and invalidity cover at any time before the cover ceases to be applicable, provided the relevant **life assurance company** is prepared to provide the additional cover and the new amount:

- (a) does not exceed the maximum amount of additional cover allowed (*see Rule 10.3.8*); or
- (b) does not, or will not over time, result in him/her exceeding his/her **maximum benefit**, assuming he/she will be entitled to an Additional Cover Multiple under Rule 5.2.9.

10.3.7 Variations in the amount of additional death and invalidity cover take effect from:

- (a) the date specified in the additional death and invalidity cover policy; or, otherwise,
- (b) the member's next birthday;

unless the **Board** determines that a variation takes effect on another date.

Maximum amount of additional death and invalidity cover

10.3.8 The maximum amount of additional death and invalidity cover applicable to a member is the amount, expressed as a percentage of his/her relevant salary (*see Rule 10.3.9*), calculated from the following Table according to his/her age at the time the relevant **life assurance company** last agreed to provide additional death and invalidity cover.

Member's Age (in whole years - when the additional cover was last agreed)	Amount of Additional Cover (% of Relevant Salary)
Less than 40	220
40 or more but less than 50	165
50 or more	110

10.3.9 For the purpose of Rule 10.3.8, the relevant salary on a particular day of a:

- (a) **regular member** is his/her **average salary**; and
- (b) **casual member** paid on a per diem basis is his/her **average salary**; and
- (c) **casual member** not paid on a per diem basis is:

- (i) the actual **basic salary** and **recognised allowances**, if any, received as a casual employee in the preceding 12 months; or
- (ii) if the person has not been a **casual member** for 12 months, the sum of:
 - (A) the actual **basic salary** and **recognised allowances**, if any, received as a casual employee; and
 - (B) the **basic salary** and **recognised allowances**, if any, expected to be received until the completion of 12 months as a casual employee.

Cessation of additional death and invalidity cover

10.3.10 A member's additional death and invalidity cover ceases on the earliest of:

- (a) the date he/she reaches age 60; and
- (b) the date he/she notifies the **Board** he/she no longer wishes to have additional death and invalidity cover; and
- (c) if the **member** ceases paying additional cover premiums, the date the **Board** determines; and
- (d) death or invalidity retirement (*see Rule 10.3.11*).

Claims by the Board

10.3.11 Where a **member** with additional death and invalidity cover dies or ceases membership on **invalidity retirement**, the **Board** will make a claim against the policy providing the additional cover.

10.3.12 Any amount paid by a **life assurance company** to the **Board** in response to a claim against a life policy must be paid into the **Fund** and thereafter be treated as an employer contribution in relation to the former member in the calculation of benefits.

Note: When a claim by the Board arises against a life policy, the benefit is applied in the form of the additional cover multiple under Rules 5.2.9, 5.2.10, 5.3.9 and 5.3.10.

Additional Cover Premiums**Division 4****Additional cover premiums by members**

10.4.1 A member with additional death and invalidity cover must pay an additional cover premium on each **contribution day**, or at alternative times determined by the **Board**, occurring during the period the cover is applicable.

10.4.2 A member with additional death and invalidity cover is required to pay additional cover premiums at a fortnightly rate of:

- (a) if he/she has been assessed as a **standard risk** by the relevant **life assurance company**, half the fortnightly premium applicable to his/her cover; or
- (b) if he/she has been assessed as not being a **standard risk** by the relevant life assurance company, the sum of:
 - (i) half the fortnightly premium that would have been applicable to his/her cover if he/she had been assessed as a **standard risk**; and
 - (ii) the amount of any additional fortnightly premium applicable to his/her cover because he/she has been assessed as not being a **standard risk**;

unless he/she is on leave of absence without pay that is not an **excluded period of leave of absence** when, if he/she has not notified the Board under Rule 10.3.10(b) that he/she no longer wishes to have additional death and invalidity cover, he/she is required to pay the entire fortnightly premium applicable.

Note: A person on leave without pay exceeding 12 weeks that is an excluded period of leave of absence under rule 4.2.1 is required to pay normal member contributions and additional cover premiums. If the period of leave without pay is more than 12 weeks but is not an excluded period, normal member contributions are not required or permitted but additional cover premiums may continue to be paid.

Additional cover premiums by employers

10.4.3 The **designated employer** of a **member** with additional death and invalidity cover must pay one half of the fortnightly premium applicable to the **member** had he/she been assessed as a **standard risk** each fortnight, unless the **member** is on leave of absence without pay that is not an **excluded period of leave of absence**. Payments must be made on each **contribution day** occurring during the period the cover is applicable, or at the alternative times during the period of cover determined by the **Board**.

Board to advise additional cover premium rates

10.4.4 When the additional cover starts, the **Board** will advise a **member** with additional death and invalidity cover and his/her **designated employer** of the fortnightly rate of additional cover premiums required to be paid. The **Board** will advise the **member** of any revised rates on each of his/her subsequent birthdays, or other times specified in the additional death and invalidity cover policy.

Payment of additional cover premiums

10.4.5 Additional cover premiums payable by a **member** and a **designated employer** must be paid to the **Board** and the **Board** must pay all premiums received by it to the relevant **life assurance company** unless the **Board**:

- (a) directs the **designated employer** to pay additional cover premiums to the relevant life assurance company; or
- (b) directs both the **designated employer** and the **member** to pay their respective portions of the additional cover premiums to the relevant **life assurance company**; or
- (c) directs a **member** who is on leave of absence without pay that is not an **excluded period of leave of absence** to pay the entire additional cover premium applicable to his/her cover to the relevant **life assurance company**.

Division 5

Partial Invalidity Pensions

Entitlement to partial invalidity pension

10.5.1 A member may be entitled to a **partial invalidity pension** if:

- (a) he/she was an **invalidity pensioner** immediately before last becoming a **member**, or would have been if his/her invalidity pension had not been suspended before that date (see Rules 10.5.3 and 10.5.5); or
- (b) for health reasons his/her **basic salary** and/or **recognised allowances** decrease, or he/she is working reduced hours or in a lower position or level (see Rules 10.5.7 and 10.5.9).

Partial invalidity pension under the *Superannuation Act 1976*

10.5.2 A partial invalidity pension payable to an eligible employee under the *Superannuation Act 1976* immediately before his/her **first day of membership** is a **partial invalidity pension** for the purposes of these Rules. Any payment of such pension during the period commencing on his/her **first day of membership** and ending on the date of his/her election to join the **PSS scheme** is a payment of **partial invalidity pension** for the purposes of these Rules.

Former invalidity pensioner again becoming a member

10.5.3 A member who was an **invalidity pensioner** immediately before last becoming a **member**, or would have been if his/her invalidity pension was not suspended before that date, is entitled to a **partial invalidity pension** if:

- (a) he/she was a **regular member** immediately before becoming an **invalidity pensioner**; and
- (b) his/her **basic salary** and **recognised allowances**, if any, on the date he/she last became a **member** is less than the sum of the:
 - (i) **basic salary** payable at whatever salary increment point may have applied to the **member** immediately before becoming an **invalidity pensioner**, including, if the **Board** directs, amounts in respect of the temporary performance of the duties of a higher classified position or office; and
 - (ii) **recognised allowances**, if any;that would have been payable had he/she continued to be a **member**;
and
- (c) the decrease in **basic salary** and/or **recognised allowances** is a result of him/her resuming employment and working:

- (i) reduced hours; and/or
 - (ii) in a lower position or level;
- and
- (d) the **Board** is satisfied the decrease in **basic salary** and/or **recognised allowances** is permanent and can properly be attributed to the member's physical or mental incapacity;

unless the decrease in **basic salary** and/or **recognised allowances** is a result of a compensable condition that entitles the **member** to be paid compensation payments.

10.5.4 The annual rate of **partial invalidity pension** payable to a **member** under Rule 10.5.3 is calculated using the formula:

$$\frac{\text{Invalidity Pension Rate}}{\text{Average Salary at Exit}} \times \text{Salary Decrease}$$

where:

- | | |
|-------------------------|---|
| Invalidity Pension Rate | is the invalidity pension rate payable on the day he/she last became an invalidity pensioner ; and |
| Average Salary at Exit | is his/her average salary immediately before last becoming entitled to an invalidity pension; and |
| Salary Decrease | is the decrease in basic salary and/or recognised allowances referred to in Rule 10.5.3 |

Former invalidity pensioner - salary not decreased or Board not wholly satisfied

10.5.5 The **Board** may decide that a **member** who was an **invalidity pensioner** immediately before last becoming a **member** is entitled to **partial invalidity pension**, even though he/she is not entitled to such a pension under Rule 10.5.3, if it is satisfied that:

- (a) although the member's **basic salary** and/or **recognised allowances** did not decrease:
 - (i) he/she is working reduced hours, or working in a lower position or level; and
 - (ii) the reduction in hours or lower position or level is permanent and can properly be attributed to the member's physical or mental incapacity; or
- (b) although the member's **basic salary** and/or **recognised allowances** did decrease, the whole of the decrease was not considered to be permanent or properly attributable to his/her physical or mental incapacity, but:
 - (i) part of the decrease in remuneration is permanent; and

- (ii) that part can properly be attributed to the member's physical or mental incapacity;

unless the reduced hours or lower position or level or the lesser **basic salary** and/or **recognised allowances** as appropriate, are a result of a compensable condition that entitles the **member** to be paid compensation payments.

10.5.6 The annual rate of **partial invalidity pension** payable to a **member** under Rule 10.5.5 is an amount determined by the **Board** having regard to the principles incorporated in this Division, including the principles for calculating partial invalidity pensions, and the need for equity between members

Regular member - salary decreased for health reasons

10.5.7 A **regular member**, other than a **limited benefits member**, who has not reached his/her **maximum retiring age** is entitled to a **partial invalidity pension** if:

- (a) his/her **basic salary** and/or **recognised allowances** decrease because he/she is working:
 - (i) reduced hours; and/or
 - (ii) in a lower position or level; and
- (b) the **Board** is satisfied the decrease in **basic salary** and/or **recognised allowances** is permanent and can properly be attributed to physical or mental incapacity;

unless the decrease in **basic salary** and/or **recognised allowances**:

- (A) is a result of a compensable condition that entitles the **member** to be paid compensation payments; or
- (B) occurred within three years after the earlier of the date the **member**:
 - (i) last became a **member**; or
 - (ii) first became a **limited benefits member** in any concurrent period or periods of membership;

and the **Board** is satisfied the **member** failed to disclose, at that time, medical or other information that could have reasonably resulted in the **Board** determining that he/she was a **limited benefits member**.

For this purpose the member's **basic salary** immediately before the decrease includes, if the **Board** so directs, higher duties allowances received by the **member** but not otherwise regarded as salary.

10.5.8 The annual rate of **partial invalidity pension** payable to a **member** under Rule 10.5.7 is calculated using the following formula:

$$\frac{\text{Invalidity Pension Rate}}{\text{Average Salary before Decrease}} \times \text{Salary Decrease}$$

where:

Invalidity Pension Rate is the rate of pension that would have been payable if he/she had retired on invalidity grounds on the day before the date of the decrease and had chosen to take his/her whole benefit as pension; and

Average Salary before Decrease is his/her **average salary** on the day before the date of the decrease; and

Salary Decrease is the decrease in **basic salary** and/or **recognised allowances** referred to in Rule 10.5.7.

Regular member - salary not decreased or Board not wholly satisfied

10.5.9 The **Board** may decide that a **regular member** who is not entitled to a **partial invalidity pension** under Rule 10.5.7 is entitled to a **partial invalidity pension** if the **Board** is satisfied that:

- (a) although the member's **basic salary** and any **recognised allowances** did not decrease:
 - (i) he/she is working reduced hours, or working in a lower position or level; and
 - (ii) the reduction in hours or lower position or level is permanent and can properly be attributed to the member's physical or mental incapacity; or
- (b) although the member's **basic salary** and any **recognised allowances** did decrease, the whole of the decrease was not considered to be permanent or properly attributable to his/her physical or mental incapacity, but:
 - (i) part of the decrease is permanent; and
 - (ii) that part of the decrease can properly be attributed to the member's physical or mental incapacity;

unless the reduced hours or lower position or level or lesser salary, as appropriate:

- (A) is a result of a compensable condition that entitles the **member** to be paid compensation payments; or

- (B) occurred within three years after the earlier of the date the **member**:
- (i) last became a **member**; or
 - (ii) first became a **limited benefits member** in any concurrent period or periods of membership; and

the **Board** is satisfied the **member** failed to disclose, at that time, medical or other information that could have reasonably resulted in the **Board** determining that he/she was a **limited benefits member**.

10.5.10 The annual rate of **partial invalidity pension** payable to a **member** under Rule 10.5.9 is an amount determined by the **Board** having regard to the principles, including the principles for calculating partial invalidity pensions, incorporated in this Division and the need for equity between members.

Adjustment of partial invalidity pensions

10.5.11 The **Board** may adjust the rate of **partial invalidity pension** payable if :

- (a) the member's **basic salary and recognised allowances**, if any, again decrease and the **Board** is satisfied that the decrease can properly be attributed to physical or mental incapacity of the member; or
- (b) while there is no change in the member's **basic salary and recognised allowances**, if any:
 - (i) his/her hours of work reduce or further reduce; or
 - (ii) he/she changes employment to a lower position or level;

and the **Board** is satisfied that the change in working circumstances can properly be attributed to physical or mental incapacity of the member; or

- (c) the member's **basic salary and recognised allowances**, if any, increase, but not to a level equal to, or greater than, the **basic salary and recognised allowances**, if any, applicable to the duties of the position or office held by the **member** before whichever is applicable of:
 - (i) his/her invalidity retirement; or
 - (ii) the reduction in his/her **basic salary and/or recognised allowances**, if any, that gave rise to his/her entitlement to **partial invalidity pension**.

In adjusting the rate of **partial invalidity pension** the **Board** will have regard to:

- (A) the principles incorporated in this Division, including the principles for calculating partial invalidity pensions; and
- (B) the need for equity between members; and

- (C) if the member's **basic salary and recognised allowances**, if any have again decreased, the appropriateness of:
- (i) re-calculating the pension rate; and
 - (ii) aggregating the total salary decrease using updated values for the initial salary decrease; and
 - (iii) if the **member** is, or has been, a **permanent part-time employee**, the proportion of full time hours worked before each decrease.

10.5.12 Partial invalidity pensions are adjusted at such times as the **Board** determines.

Partial invalidity pension previously payable under the *Superannuation Act 1976*

10.5.13 The Board must take into account the basis of calculation under the *Superannuation Act 1976* of a partial invalidity pension which was initially payable under that Act and continued as a **partial invalidity pension** under these Rules when adjusting rates of **partial invalidity pension** under Rule 10.5.11.

Non payment when Board requirements not met

10.5.14 **Partial invalidity pension** payments are not payable (*see Rule 10.5.15*) to a **member** if he/she fails to:

- (a) commence or continue a program of rehabilitation; or
- (b) provide medical or other evidence in relation to his/her health and/or ability to resume his/her former duties;

by a date specified by the **Board**;

unless the **Board** specifies another, later date by which the **member** is to undergo that program or provide that evidence because it is satisfied there was sufficient reason for the member's failure.

10.5.15 The date when payments of **partial invalidity pension** stop under Rule 10.5.14 is a **contribution day** determined by the **Board** that must be a later date than the date specified for the **member** to undergo the program or provide the evidence.

10.5.16 Payments of **partial invalidity pension** that have stopped under Rule 10.5.14 again become payable from the date specified by the **Board** if the **member** satisfies the **Board** that he/she will comply with all future **Board** requirements.

Suspension of partial invalidity pension payments

10.5.17 The Board may suspend **partial invalidity pension** payments in respect of any period the **member** is on leave without pay that is not sick leave without pay.

Cessation of partial invalidity pension payments

10.5.18 A **partial invalidity pension** ceases on the earlier of: the date:

- (a) the member's **basic salary** and **recognised allowances**, if any, equal, or exceed, the **basic salary** and **recognised allowances**, if any, applicable to the duties of the position or office held by the **member** before whichever is applicable of:
 - (i) his/her **invalidity retirement**; or
 - (ii) the reduction in his/her **basic salary** and/or **recognised allowances**; or
- (b) the **Board** determines that the circumstances giving entitlement to the **partial invalidity pension** that did not involve decreased **basic salary** and/or **recognised allowances** no longer exist; or
- (c) the **member** ceases membership.

Note: A reduction in basic salary and recognised allowances **DOES NOT** occur where a member has been granted sick leave for two hours a day, regardless of whether the sick leave is with or without pay. **HOWEVER** the member would be regarded as working reduced hours, it is then a matter for the Board to decide whether this reduction is permanent and is caused by the member's incapacity.

Division 6

Invalidity Assessment Panels

Establishing Assessment Panels

10.6.1 The **Board** will engage one or more Assessment Panels comprising people with expertise in the assessment of invalidity claims in private sector superannuation schemes, or for those schemes.

10.6.2 The **Board** may refer an invalidity case to an Assessment Panel for consideration and recommendation.

Board responsibilities to Assessment Panel

10.6.3 Where the **Board** has referred a case to an Assessment Panel, the **Board**:

- (a) will provide the Panel with the medical and other evidence it considers necessary; and
- (b) may require the **member** or former member, as the Panel requests, to:
 - (i) undergo a medical examination or examinations; and
 - (ii) provide any information.

Role of an Assessment Panel

10.6.4 Where the **Board** has referred a case to an Assessment Panel, the Assessment Panel is to make a recommendation with supporting reasons to the **Board**:

- (a) if the **Board** has indicated to the Assessment Panel that it has to decide whether to approve the **invalidity retirement** of a **member**, whether that **member** is **totally and permanently incapacitated**; or
- (b) if the **Board** has indicated to the Assessment Panel that the **Board** has to decide whether to pay a **preserved benefit** under Rule 8.1.1, whether the former member is:
 - (i) suffering from a **terminal medical condition**; or
 - (ii) **totally and permanently incapacitated**; or
- (c) if the **Board** has indicated to the Assessment Panel that the **Board** has to decide whether to regard a former member as having ceased membership on **invalidity retirement** under Rule 8.5.2, whether the former member was **totally and permanently incapacitated** on his/her **last day of membership**; and
- (d) on any other matters the panel considers relevant or the **Board** requires.

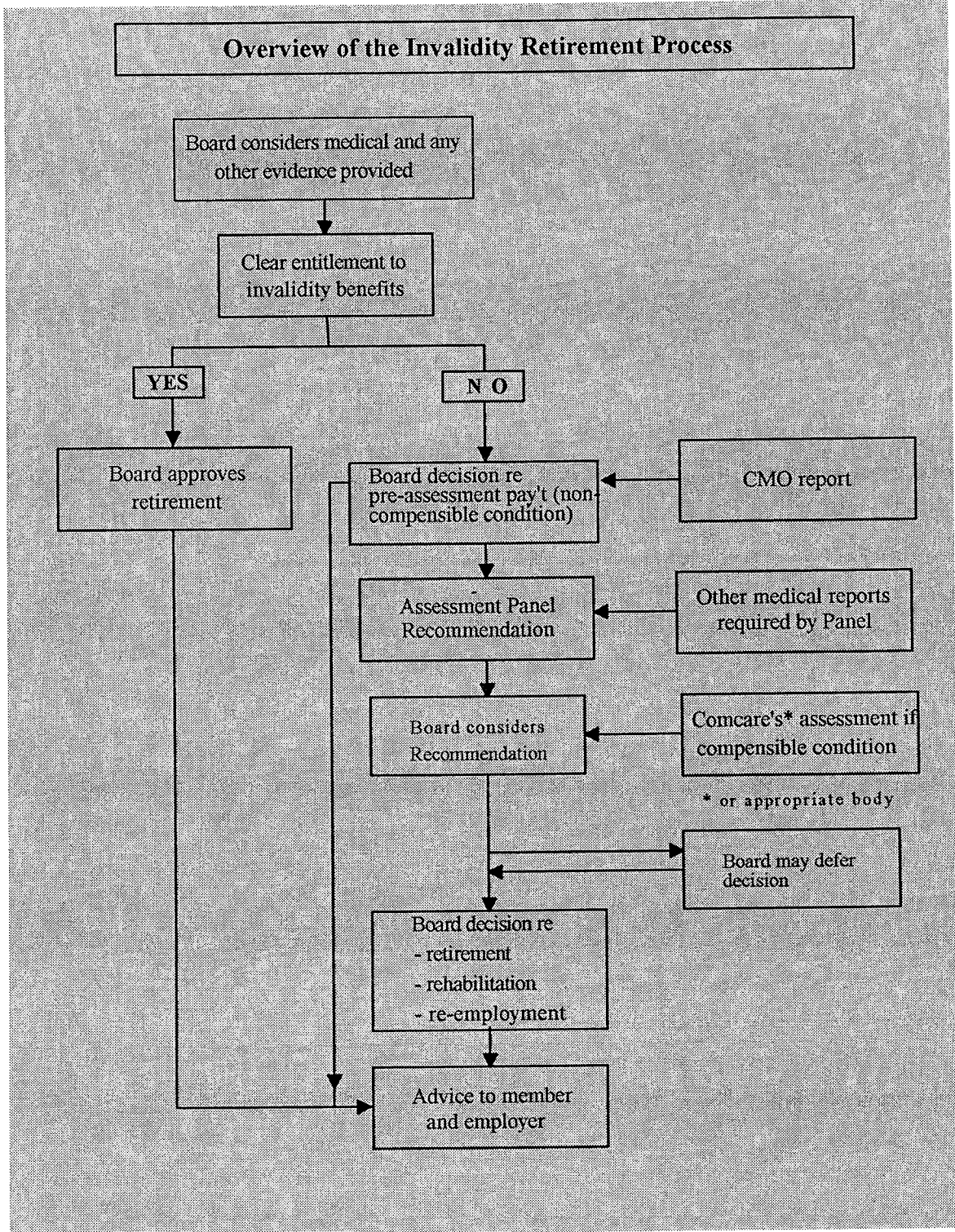
10.6.5 An Assessment Panel may seek advice from any medical practitioner or specialist in connection with any case referred to it by the **Board**.

10.6.6 An Assessment Panel is to provide its recommendation to the **Board** within two years, or such further period as the **Board** determines, of:

- (a) in the case of a **member** on sick leave with or without pay, the date the **member** commenced sick leave because of the condition which is the basis of the request to the **Board** to approve his/her **invalidity retirement**; or
- (b) in the case of a **member** on **compensation leave**, the date the **Board** was asked to approve his/her **invalidity retirement**; or
- (c) in the case of a former member seeking payment of his/her **preserved benefit** on invalidity grounds, the date the **Board** was asked to approve the payment; or
- (d) in the case of a former member applying to be regarded as having ceased membership on **invalidity retirement** for the purposes of Rule 8.5.2, the date the member's application was received;

Division 7

Invalidity Retirement Process



Clear entitlement to invalidity benefits

10.7.1 Following receipt of a request to approve the retirement of a **member** on invalidity grounds, the **Board** may approve his/her **invalidity retirement** if, after considering:

- (a) the report or reports of one or more medical practitioners submitted with the request; and
- (b) any other matters the **Board** considers relevant;

it is satisfied there is no reasonable doubt the **member** is **totally and permanently incapacitated**.

Reasonable doubt regarding entitlement to invalidity benefits

10.7.2 If the **Board** considers there is reasonable doubt that the **member** is **totally and permanently incapacitated**, the **Board** must:

- (a) require the **member** to undergo a medical examination by a Commonwealth Medical Officer or other **approved medical practitioner** within six months, or other period specified by the **Board**, of him/her last commencing related sick leave or **compensation leave** before the request to approve the retirement was submitted; and
- (b) refer the issue whether the **member** is **totally and permanently incapacitated** and the report of the medical examination to an Assessment Panel;

before deciding a request to approve the retirement of the **member** on invalidity grounds.

10.7.3 The **Board** may again refer the issue whether the **member** is **totally and permanently incapacitated** to an Assessment Panel for further consideration and recommendation within a period set by the **Board** and must consider the recommendation of that Assessment Panel when making its decision.

10.7.4 If a recommendation of an Assessment Panel indicates that a program of rehabilitation may prevent a member's total and permanent incapacity, the **Board** may:

- (a) consult with **Comcare**, or other appropriate body, with a view to implementing such a program; and
- (b) arrange for, and meet the cost of, that program if it considers that the program would be cost-effective in reducing the likelihood of the member's invalidity retirement.

10.7.5 The **Board** must decide whether or not to approve the **invalidity retirement** of a **member**, other than a **member** already entitled to invalidity benefits under Rule 10.7.1. When making its decision the **Board** must consider:

- (a) the recommendation, or recommendations, of the Assessment Panel; and

- (b) if a program of rehabilitation was put in place under Rule 10.7.4, the effectiveness of the program; and
- (c) where the **member** is on **compensation leave** (or is suffering from a compensable condition), the assessment of the member's medical condition by **Comcare**, or other appropriate body; and
- (d) the practicality of either:
 - (i) the member's employer providing a job the **member** would be reasonably qualified for, or reasonably could be qualified for after retraining; and/or
 - (ii) the **member** obtaining such a job with another employer.

Deferral of decisions

10.7.6 The **Board** may defer a decision whether or not to approve the **invalidity retirement** of a **member** after it has considered the matters in Rule 10.7.5.

Decision to be advised to member and employer

10.7.7 The **Board** must advise its decision under Rule 10.7.1 or 10.7.5 to the **member** and his/her employer. The advice is to include a statement of the reasons for the decision and a copy of the recommendation made by the Assessment Panel, if any.

Division 8

Payment of Preserved Benefits on Invalidation

Clear entitlement to invalidation benefits

10.8.1 Where a request to pay a **preserved benefit** on invalidation grounds under Rule 8.1.1 has been received, the **Board** may approve the payment if, after considering:

- (a) the report or reports of one or more medical practitioners submitted with the request; and
- (b) any other matters the **Board** considers relevant;

it is satisfied there is no reasonable doubt the **preserved benefit member** is:

- (c) **totally and permanently incapacitated**; or
- (d) suffering from a **terminal medical condition**.

Reasonable doubt regarding entitlement to invalidation retirement benefits

10.8.2 If the **Board** considers there is reasonable doubt that the **preserved benefit member** is **totally and permanently incapacitated**, the **Board** must:

- (a) require the **preserved benefit member** to undergo a medical examination by a Commonwealth Medical Officer or other **approved medical practitioner** within six months, or other period specified by the **Board**, of the date the **Board** was asked to approve the payment; and
- (b) refer the issue whether the **preserved benefit member** is **totally and permanently incapacitated** and the report of the medical examination to an Assessment Panel;

before considering a request to pay the **preserved benefit** on invalidation grounds.

10.8.3 The **Board** must decide whether or not to pay a **preserved benefit** to a **preserved benefit member**, other than a **preserved benefit member** entitled to his/her **preserved benefit** under Rule 10.8.1. When making its decision the **Board** must consider the recommendation of the Assessment Panel.

Decision to be advised to former member

10.8.4 The **Board** must advise its decision under Rule 10.8.1 or 10.8.3 to the former member. The advice is to include a statement of the reasons for the decision and a copy of the recommendation made by the Assessment Panel, if any.

Division 9

Deemed Invalidation Retirement Process

Clear entitlement to invalidation benefits

10.9.1 Where an application under Rule 8.5.2 to regard a **preserved benefit member** as having retired on invalidation grounds as at the date of ceasing membership has been received, the **Board** may approve that application, if, after considering:

- (a) the report or reports of one or more medical practitioners submitted with the request; and
- (b) any other matters the **Board** considers relevant;

it is satisfied there is no reasonable doubt the **preserved benefit member** was **totally and permanently incapacitated** on his/her last day of membership.

Reasonable doubt regarding entitlement to invalidation retirement benefits

10.9.2 If the **Board** considers there is reasonable doubt that the **preserved benefit member** was **totally and permanently incapacitated** on his/her last day of membership, the **Board** must:

- (a) require the **preserved benefit member** to undergo a medical examination by a Commonwealth Medical Officer or other **approved medical practitioner** within six months, or other period specified by the **Board**, of the date the application under rule 8.5.2 was received; and
- (b) refer the issue whether the **preserved benefit member** was **totally and permanently incapacitated** on his/her last day of membership and the report of the medical examination to an Assessment Panel;

before considering a request to regard a **preserved benefit member** as having retired on invalidation grounds as at the date of ceasing membership.

10.9.3 The **Board** must decide whether or not to regard a **preserved benefit member** as having retired on invalidation grounds as at the date of ceasing membership, other than a **preserved benefit member** already so regarded under Rule 10.9.1. When making its decision the **Board** must consider the recommendation of the Assessment Panel.

10.9.4 The **Board** must advise its decision under Rule 10.9.1 or 10.9.3 to the former member. The advice is to include a statement of the reasons for the decision and a copy of the recommendation made by the Assessment Panel, if any.

Division 10

Pre-assessment Payments

Entitlement to pre-assessment payments

10.10.1 The **Board** may pay pre-assessment payments to a **member** who has been off work for a continuous period of 28 days or more because of a serious medical condition, unless he/she:

- (a) is a **limited benefits member**; or
- (b) is on **compensation leave**.

10.10.2 Before deciding whether to pay pre-assessment payments to a **member**, the **Board** must obtain a report from:

- (a) a Commonwealth Medical Officer; or
- (b) an **approved medical practitioner**;

whether there is a likelihood the **member** will be **totally and permanently incapacitated** because of the condition causing his/her absence from work.

10.10.3 If a report from a Commonwealth Medical Officer or other **approved medical practitioner** indicates that a program of rehabilitation may prevent a member's total and permanent incapacity, the **Board** may:

- (a) consult with **Comcare** or other appropriate body with a view to implementing such a program; and
- (b) arrange for, and meet the cost of, that program if it considers that the program would be cost-effective in reducing the likelihood of the member's invalidity retirement.

10.10.4 The **Board** must pay pre-assessment payments to a **member** if, after considering the report obtained under Rule 10.10.2, it is satisfied there is a real likelihood the **member** will be **totally and permanently incapacitated**.

10.10.5 The **Board** must notify a **member** that he/she is not entitled to pre-assessment payments if, after considering the report obtained under Rule 10.10.2, the **Board** is satisfied it is likely that the **member** will be able to work again in a job for which he/she is, or could after retraining be, reasonably qualified.

Rate of pre-assessment payments - first 6 months

10.10.6 Pre-assessment payments are not payable during the first six months of the **member** being off work while the **member** is in receipt of sick leave full pay or sick leave half pay.

10.10.7 If the **member** does not receive sick leave pay at any time during the first six months of being off work, pre-assessment payments are payable during that period at the fortnightly rate calculated using the formula below, provided that the rate is greater than zero:

Half Salary – (Partial Invalidity Pension + Other Compensation Payments)

where:

Half Salary is $\frac{\text{Superannuation Salary}}{2 \times 26}$ per fortnight

and Superannuation Salary is the sum of the annual **basic salary** and **recognised allowances**, if any, applicable to the **member** on his/her first day off work, proportionately adjusted by the **Board** in the same manner as in Rule 5.4.2 for a **permanent part-time employee**, or as in Rule 5.5.2 for a **casual member**, to take account of:

- (a) his/her work pattern over the lesser of his/her:
 - (i) previous 78 contribution due days; or
 - (ii) number of contribution due days; and
- (b) any hours not worked in which a **partial invalidity pension** or compensation payment was applicable to the **member**.

Partial Invalidity Pension is the fortnightly amount of any **partial invalidity pension** payable to the **member**; and

Other Compensation Payments is the fortnightly amount of any compensation payments payable to the **member** in relation to a condition that is not the condition causing the **member** to be off work.

Rate of pre-assessment payments after first 6 months

10.10.8 Pre-assessment payments after the first six months of the **member** being off work are payable, if greater than zero, at:

- (a) the fortnightly rate determined under Rule 10.10.7 less the fortnightly amount of any sick leave pay payable to the **member**; or, if greater,
- (b) the fortnightly rate of maximum invalidity pension that would have been payable had he/she been retired on invalidity grounds six months after his/her first day off work, less the sum of:
 - (i) the fortnightly amount of sick leave pay payable to the **member**, if any; and

- (ii) the fortnightly amount of **partial invalidity pension** payable to the **member**, if any; and
- (iii) the fortnightly amount of compensation payments payable to the **member**, if any, in relation to a condition that is not the condition causing the **member** to be off work.

Period pre-assessment payments to be made

10.10.9 Pre-assessment payments are payable on and fortnightly from the **contribution day** occurring on, or next following:

- (a) the earlier of the date from which:
 - (i) the **member** has been off work for a continuous period of six months; or
 - (ii) the **member** has no sick leave credits applicable; or
- (b) where pre-assessment payments are payable as a result of a second or subsequent assessment of the **member**, the date the **Board** determines.

10.10.10 The **Board** will deduct **member contributions** and, if the **member** has additional death and invalidity cover, the additional premiums required to be paid by the **member** under Division 4 of this Part from the fortnightly pre-assessment payment.

10.10.11 Pre-assessment payments cease on the **contribution day** specified by the **Board** that is after the earliest of the date:

- (a) the **Board** notifies the **member** and his/her employer whether it has approved his/her **invalidity retirement**; and
- (b) the **member** returns to work; and
- (c) the **member** ceases membership; and
- (d) the **Board** required the **member** to:
 - (i) commence or continue a program of rehabilitation; or
 - (ii) undergo a medical examination and/or provide medical evidence;

and he/she failed to do so, unless the **Board** has set another later date to commence or continue that program or undergo that examination because it is satisfied there was sufficient reason for the member's non-compliance.

10.10.12 Pre-assessment payments that have been ceased under paragraph (d) of Rule 10.10.11 again become payable from the date specified by the **Board** where the **member** satisfies the **Board** he/she will comply with all future **Board** requirements relating to a program of rehabilitation, or medical examination or production of medical evidence.

Division 11

Reduction or Suspension of Invalidity Pension

Invalidity pensioner to provide information

10.11.1 An **invalidity pensioner** who:

- (a) is under age 65; and
- (b) became, or last became, an **invalidity pensioner** before age 60; and
- (c) begins to receive **personal earnings**;

must give to the **Board** particulars in writing of these **personal earnings** and an estimate of expected **personal earnings** during the next 12 months. A person acting on the **invalidity pensioner's** behalf may provide this information.

10.11.2 The **Board** may require an **invalidity pensioner** who:

- (a) is under age 65; and
- (b) became, or last became, an **invalidity pensioner** before age 60;

to give in writing, within the period specified by the **Board** which must end before the **invalidity pensioner** attains age 65, either or both:

- (A) such information as the **Board** requires relating to any employment, or work on the pensioner's own account, in which the pensioner has been engaged during a period specified by the **Board**; or
- (B) particulars of the pensioner's **personal earnings** and an estimate of the expected **personal earnings** during the next 12 months.

A person acting on the **invalidity pensioner's** behalf may give this information.

10.11.3 An **invalidity pensioner** may:

- (a) revise an estimate of his/her expected **personal earnings** for the next 12 months; and
- (b) give the **Board** updated particulars of his/her **personal earnings**.

A person acting on the **invalidity pensioner's** behalf may give this information.

10.11.4 The **Board** must estimate the annual rate of **personal earnings** of an **invalidity pensioner** after considering information provided to the **Board** relating to his/her employment, past earnings and expected future earnings.

Suspension due to failure to provide information

10.11.5 Where an **invalidity pensioner** fails to provide information required by the **Board** under Rule 10.11.2, the **Board** may suspend his/her pension with effect from a date specified, provided that:

- (a) the **Board** is satisfied there was no reasonable excuse for the failure to provide the information; and
- (b) the date of suspension is not earlier than the day after the expiry of the period within which provision of the information was required.

10.11.6 The Board must notify in writing the **invalidity pensioner**, or the person acting on his/her behalf, of the suspension.

10.11.7 Where a pension is suspended under Rule 10.11.5 and the **invalidity pensioner** or the person acting on his/her behalf, subsequently provides the required information, the **Board** will revoke the suspension from such date as the **Board** determines.

Cancellation of suspended pension

10.11.8 If an invalidity pension has been suspended under Rule 10.11.5 for a period of 12 months the **Board** may cancel the entitlement to invalidity pension, unless the **invalidity pensioner** had reached age 64 before his/her pension was last suspended. The **Board** must notify in writing the **invalidity pensioner**, or the person acting on his/her behalf, of the cancellation.

Invalidity pension rate to be reduced or suspended

10.11.9 The annual pension rate payable to an **invalidity pensioner** is to be reduced (*see Rule 10.11.10*) or the pension suspended (*see Rule 10.11.11*) during any period when the invalidity pensioner's Earnings exceed his/her Notional Income. For this purpose:

Earnings are the sum of:

- (a) the annual pension rate that would have been payable if:
 - (i) the **invalid pensioner** had chosen to take his/her whole **invalidity benefit accrual** as a pension; and
 - (ii) that rate had not been reduced or suspended by any earlier applications of this Rule; and
- (b) his/her annual **personal earnings** rate, as estimated by the **Board** under Rule 10.11.4; and

Notional Income is the greater of:

- (a) \$23,597, increased on 1 July 1991, and each subsequent 1 July, in accordance with the increases, if any, applying to pensions under Rule 9.6.1; or
- (b) 75% of the annual rate of salary determined by the **Board** as that which would have been payable to the pensioner had he/she continued to be a **member**.

10.11.10 The annual rate of pension payable to an **invalidity pensioner** must, if the annual rate of pension is greater than the lesser of:

- (a) the annual **personal earnings** estimated under Rule 10.11.4; or
- (b) the amount by which Earnings exceed Notional Income, as calculated under Rule 10.11.9;

be reduced by the lesser of those amounts.

10.11.11 The annual pension payable to an **invalidity pensioner** must be suspended if the lesser of:

- (a) annual **personal earnings** estimated under Rule 10.11.4; or
- (b) the amount by which Earnings exceed Notional Income, as calculated under Rule 10.11.9;

is equal to or greater than the annual rate of pension.

10.11.12 The **Board** will specify when the reduction or suspension takes effect, not being a date earlier than the date the next payment of pension to the **invalidity pensioner** is payable, and notify the **invalidity pensioner** accordingly.

10.11.13 The **Board** may, at its discretion, pay arrears of pension where an invalidity pension has been reduced or suspended under Rule 10.11.9 if

- (a) a later calculation under that Rule results in:
 - (i) a higher rate of invalidity pension; or
 - (ii) lifting the suspension and re-commencement of payments of an invalidity pension ; and
- (b) that higher rate or payment of re-commenced pension would have been payable before the date the pension is increased or the suspension lifted.

10.11.14 No recovery of overpaid pension will be made if a calculation under Rule 10.11.9 results in a lower rate of invalidity pension or suspension of an invalidity pension and that lower rate or suspension would have applied during a period in respect of which invalidity pension has already been paid.

Examples of Invalidity Pension Reductions/Suspensions				
Pension (a)	Personal Earnings (b)	Notional Income (c)	Excess (d) = (a) + (b) - (c)	Reduction
\$20,000	\$10,000	\$25,000	\$ 5,000	\$ 5,000
In this case, the excess is less than the personal earnings and the pension is therefore reduced by the amount of the excess [Rule 10.11.11 (b)]				
\$28,000	\$ 3,000	\$25,000	\$ 6,000	\$ 3,000
In this case, the personal earnings are less than the excess and the pension is reduced by the amount of earnings [Rule 10.12.11 (a)]				
\$10,000	\$28,000	\$25,000	\$13,000	Suspended
In this case, the excess is less than the personal earnings but as the excess is still greater than the pension, the pension is suspended [Rule 10.11.12]				

Division 12

Non-disclosure of Information

Non-disclosure by member

10.12.1 If:

- (a) the **Board** becomes aware that a **member**, who:
 - (i) is not classified as a **limited benefits member**, and
 - (ii) has not reached age 60; and
 - (iii) has been a **member** for less than three years in his/her current period of membership;failed to give information he/she was required to give, or gave false or misleading information in connection with a medical questionnaire or examination under Rule 10.1.1; and
- (b) the **Board** is of the opinion the **member** would have been a **limited benefits member** under Rule 10.2.1 if he/she had given that information or had not given false or misleading information;

the **member** is a **limited benefits member** during the period:

- (A) commencing on the date he/she last became a **member**; and
- (B) ending on the earlier of the date three years after he/she last became a **member** or on the date on which the **member** first became a **limited benefits member** in any concurrent period or periods of membership.

Non-disclosure by former member

10.12.2 Where:

- (a) the **Board** becomes aware that a former member, who:
 - (i) ceased membership before age 60 on **invalidity retirement** or death ; and
 - (ii) had been a **member** for less than three years; and
 - (iii) was not a **limited benefits member** on his/her **last day of membership**;

failed to give information he/she was required to give, or gave false or misleading information in connection with a medical questionnaire or examination under Rule 10.1.1; and

- (b) the **Board** is of the opinion the former member would have been a **limited benefits member** under Rule 10.2.1 if he/she had given that information or had not given false or misleading information;

the former member is to be treated as a **limited benefits member** on his/her **last day of membership** and the **Board** must adjust the benefit entitlement of, or in respect of, the former member and recover any payments made in excess of the adjusted entitlement.

Notification of limited benefits membership

10.12.3 The **Board** will notify a person in writing that he/she:

- (a) is a **limited benefits member** under Rule 10.12.1 and the period of the limited benefits membership; or
- (b) is to be treated as a **limited benefits member** under Rule 10.12.2.