

Supplementary Disablement Benefit Process



Fire & Emergency Services
Superannuation Fund

Medically Retiring Members

Process for claiming, qualifying for and receiving a Supplementary Disablement Benefit

Medically retiring members of the Fire and Emergency Services Superannuation Fund (FES Super) may be entitled to receive a supplementary disablement benefit from FES Super if they meet certain criteria on their retirement from employment. This discrete disablement benefit is only payable to contributing members of FES Super who have been declined a Total and Permanent Disablement benefit and who have qualified for payment of a Partial and Permanent Disablement benefit.

There is no need for a member to formally claim the supplementary disablement benefit from FES Super, as once the Total and Permanent Disablement benefit has been declined, the consideration for the supplementary disablement benefit automatically commences.

The benefit is funded by additional employer contributions to FES Super over and above those required to provide defined benefits to all contributing members.

The Supplementary Disablement Benefit (SDB) is a benefit that is calculated as a lump sum amount but is generally payable in instalments over a period of time to members who qualify for the benefit.

The SDB is only payable to contributing members:

- (i) whose salary was taken into account for the purposes of calculating the amount of their employer's contribution payable to FES Super for the provision of the SDB;
- (ii) who have previously been refused payment of a Total and Permanent Disablement benefit from FES Super;
- (iii) who between the date they ceased employment and the date the Fire and Emergency Services Superannuation Board advised them they were not going to receive a Total and Permanent Disablement benefit, they did not engage in any employment;
- (iv) who have qualified for payment of a Partial and Permanent Disability but have not had any determination made for them that reduces the amount of the Partial and Permanent Disablement benefit payable to them; and
- (v) who have been retired from their employment on medical grounds by their employer (if they are a Department of Fire and Emergency Services employee).

In order to receive a SDB from FES Super one of the qualifying conditions applicable is that you must have not been offered satisfactory alternative employment with your employer before your employment was terminated as a result of your disablement.

'Satisfactory alternative employment' means alternative employment by the Fire and Emergency Services Commissioner or any other employer for which, in the opinion of the Fire and Emergency Services Superannuation Board (the Board), you are reasonably suited by education, training and experience and which, in the opinion of the Board, provides you with satisfactory remuneration having regard to your previous salary.

Once you have received or become entitled to receive, your Partial and Permanent Disablement benefit from FES Super the Board will consider your eligibility for a SDB based on the circumstances that apply to you. The Board will then formally advise you if your application for a SDB has been approved.

If your SDB is approved by the Board and the amount calculated for you is \$20,000 or less the SDB will be paid to you as a lump sum amount as soon as practicable after you become entitled to the SDB.

If your SDB is approved by the Board and the amount calculated for you is more than \$20,000 the method of payment to you will be determined from your age at the time and your membership period in the Fund.

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If you are over 55 years of age and have at least 20 years of Fund membership when you become entitled to the SDB, the benefit will be paid to you in one of the following ways at your election:

- (a) in monthly instalments payable on the first day of each month for 60 months;
- (b) in annual instalments payable on the first day of the month following the month one year after becoming entitled to the Partial and Permanent Disablement benefit and on the anniversary of that day in each of the 4 following years;
- (c) in a lump sum payable 5 years after the end of the month in which you become entitled to the Partial and Permanent Disablement benefit; or
- (d) if the Board agrees, in a lump sum payable as soon as possible after you become entitled to the Partial and Permanent Disablement benefit.

If you do not meet either the age or Fund membership requirement set out above the SDB will be paid to you in one of the following two ways at your election:

- (1) in monthly instalments payable on the first day of each month for the greater period of:
 - (a) 60 months; or
 - (b) a period calculated from your age at the date the SDB becomes payable to your 55th birthday; or
- (2) in annual instalments payable on the first day of the month following the month one year after becoming entitled to the Partial and Permanent Disablement benefit and on the anniversary of that day for the greater period of:
 - (a) each of the following 4 years; or
 - (b) each of the number of following years calculated from your age at the date the SDB becomes payable up to and including your 55th birthday; or
- (3) if the Board is satisfied that there are special circumstances that apply to your situation, the Board can pay the SDB as a lump sum amount as soon as possible after you become entitled to the SDB.

If the SDB payments are made to you as monthly or annual instalments they are considered to be pension payments by the Australian Taxation Office and are taxed at Pay as You Go (PAYG) withholding tax rates. The tax is deducted from your monthly or annual payments. If the SDB payment is made as a lump sum, this will be taxed at the appropriate lump sum tax rates.

If you die whilst in receipt of SDB instalment benefits, the value of the unpaid instalments would be paid to your dependants or to your estate as a lump sum amount.