



Invalidity benefits

Who should read this?

Members who need more information about invalidity benefits.

What is in this fact sheet?

- > What you should know up front
- > General
- > Invalidity retirement process
- > Pre-assessment payments
- > Rehabilitation
- > Fast-tracking requests for terminally ill members
- > How is an invalidity retirement benefit worked out?
- > Surcharge debt
- > Non-disclosure of medical information
- > Annual adjustment of pension
- > Review of invalidity pensioners
- > Reduction of invalidity pension on account of personal earnings
- > Cessation of work following re-employment
- > Age retirement pension instead of invalidity pension
- > Information about my application
- > Where can I get more information?

What you should know up front

It is important that you read the disclaimer at the end of this fact sheet. Before making any decisions, please read the **CSS product disclosure statement** and consider seeking advice from a licensed professional such as a financial planner, accountant or solicitor.

General

An invalidity retirement pension is payable if the trustees agree to your retirement because of a permanent medical condition which is likely to stop you from working again – that is, it appears unlikely that you will ever work again in any occupation for which you are reasonably qualified by education, training or experience, or could become so qualified after retraining.

However, an invalidity benefit is not payable if the condition which leads to your medical retirement has been caused by wilful action on your part with a view to gaining an invalidity benefit.

Invalidity retirement process

If your treating doctors believe that your medical condition shows that you should be retired on medical grounds, you should make arrangements with your personnel section to be examined by an Occupational Physician from Health Services Australia (HSA). Your personnel section will make an appointment for you and they will also give you a form **SM2** to take to the assessment. The form is called **Medical Report for Invalidity Retirement**.

The results of the assessment will be sent direct to your personnel section.

If, as a result of the assessment, the Occupational Physician thinks that you are, or may become, totally and permanently incapacitated, your personnel section will need to complete the form **Application for Issue of Invalidity Retirement Certificate** (form **SPC**).

Your personnel section will send all the completed documents to us to help the trustees to decide whether you should be retired on medical grounds. Any other supporting evidence you have, such as a report from a specialist or a general practitioner, must be forwarded also.

The report of your medical assessment, together with any other supporting medical evidence, is then sent by the trustees to an independent invalidity assessment panel for consideration. This panel has expertise in assessing invalidity claims in the private sector.

After considering the assessment panel's recommendation and whether it is practical for your employer to provide you with a suitable job or for you to obtain such a job with a different employer (public or private), the trustees will then decide whether to agree to your invalidity retirement.

In some circumstances, the trustees can agree to invalidity retirement without the need for the assessment panel's consideration. This generally occurs only if your medical condition is such that the trustees can be immediately satisfied that there is no reasonable doubt that you are totally and permanently incapacitated.

Note: It is important for you to know that formal retirement by your employer cannot occur until the trustees issue a certificate to your employer stating that, if you are retired, you will be entitled to receive invalidity retirement benefits from the CSS.

Pre-assessment payments

If you are not in receipt of compensation payments, you might be entitled to receive pre-assessment payments while you wait for the decision of the trustees. The reason for pre-assessment payments is to provide you with some form of income, after your sick leave runs out, while you wait for the trustees to assess your application.

To qualify for pre-assessment payments you must not be receiving worker's compensation payments and you must have been off work for 28 days or more. However, before deciding whether to make pre-assessment payments, the Trustees need a medical report from HSA, or other approved medical practitioner, which indicates that there is a likelihood that you are, or will become, totally and permanently incapacitated.

The criteria to be met for pre-assessment payments are deliberately set as a lesser test than that required for invalidity retirement to make sure that your income is reasonably protected until the invalidity retirement decision is taken. However, it does not automatically follow that your invalidity retirement will be approved even though the trustees may approve pre-assessment payments for you.

Pre-assessment payments do not affect the calculation of your invalidity retirement benefit. However, if your invalidity retirement is approved and commences from a date before your pre-assessment payments cease, the invalidity benefits due will be offset by any pre-assessment payments made in the overlapping period. Superannuation contributions to the CSS, at the normal rate, must also be deducted from your pre-assessment payments.

Rehabilitation

If the trustees are advised that an appropriate program of rehabilitation may prevent you from becoming totally and permanently incapacitated, they may consult Comcare or another rehabilitation provider about such a program. Also, if it is considered that a rehabilitation program is likely to be cost-effective in reducing the likelihood of your invalidity retirement, the trustees may require you to attend that program. The cost of the program would then be met by us.

Pre-assessment payments continue to be made to you during a rehabilitation program approved by the trustees.

Fast-tracking requests for terminally ill members

We take steps to ensure that applications for invalidity retirement are processed with priority for members who are terminally ill.

In cases where the illness or condition appears terminal, arrangements should be made with your personnel section to undergo an examination by a medical practitioner from HSA. (You will need to follow the same procedures as shown under the heading **Invalidity retirement process** on pages 1–2).

When your personnel section sends the results of that assessment to us, together with any supporting reports from your treating specialist and general practitioner, they should request that your case be expedited. Under normal circumstances, we will arrange to finalise the case within one to two weeks.

How is an invalidity retirement benefit worked out?

The calculation of an invalidity retirement benefit depends on a number of factors, including the date on which you became a scheme member. It also depends on whether you joined the former Provident Account, or joined the CSS after 30 June 1976; on whether a Benefit Classification Certificate (BCC) applies to you and, if so, whether the condition which led to your retirement has been caused, or substantially contributed to, or by, a condition listed in the BCC or by a connected condition.

As well as these factors, the calculation of an invalidity retirement benefit also depends on:

- > your final salary
- > your contributory membership
- > your prospective membership
- > whether you had rejected units, or unit restrictions as at 30 June 1976.

Your final salary is the salary for superannuation purposes at the time of your invalidity retirement (unless an earlier higher salary is recognised).

Your contributory membership is the total period (in years and days) during which contributions were made to the scheme. It can include other periods of membership of another superannuation scheme. Your period of contributory membership is shown on your annual member statement.

Prospective membership is your period of contributory membership plus what would have been your future (that is, potential) scheme membership to your maximum retiring age (which is usually the age of 65 but may be lower in some occupations), if invalidity retirement had not occurred.

Surcharge debt

The Superannuation Contributions Surcharge is a tax on surchargeable superannuation contributions. It was introduced from 20 August 1996 and is intended to apply to higher income earners (see the fact sheet **The Facts About the Superannuation Contributions Surcharge** for further details). If you have a surcharge debt it will be shown on your annual Member Statement.

Any unpaid surcharge debt you may have accrued must be recovered from invalidity benefits payable at the time of your invalidity retirement. Normally an accrued surcharge debt is recovered by way of reduction to the pension otherwise payable, but you can choose to have it recovered from lump sum if you wish.

Non-disclosure of medical information

You might remember that when you joined the scheme, you were required to have a medical assessment. You were asked to provide information about any medical conditions that you might have been suffering from at that time, or had suffered from in the past.

The purpose of that assessment was to decide whether you met the medical standards required for unrestricted scheme membership. If you joined before 1 July 1976 and did not meet those standards, instead of becoming an unrestricted scheme member, you might have been accepted as a member of the former Provident Account. Similarly, if you joined after 30 June 1976, and a condition was identified that may have caused you not to reach your maximum retiring age, you might have been issued with a **Benefit Classification Certificate (BCC)**.

When the trustees consider an application for invalidity retirement they will look to see if the cause is related to a condition on a BCC or whether you failed to provide information, or provided false or misleading information, on a medical condition which has since led to your application for invalidity retirement. If they believe that you provided such false or misleading information at the time you joined the scheme, a BCC can be issued retrospectively if you have not completed 20 years' contributory membership. If this happens, the calculation of your benefit (or the benefit that is paid to an eligible spouse or children) will have regard only to actual completed contributory membership, instead of prospective membership.

Annual adjustment of pension

Invalidity retirement pensions are subject to annual cost-of-living adjustments based on movements in the Consumer Price Index. You will receive a notice of the adjustment, together with your income tax group certificate, from us in early July each year.

Review of invalidity pensioners

Following your invalidity retirement, we may, from time to time until your 65th birthday, ask you for information about any employment you may be undertaking during your period of invalidity retirement.

It is important for you to know that if you fail to provide information about employment and you don't have a reasonable explanation, your invalidity pension may be suspended until the requirement has been satisfied. It may then be cancelled after 12 months' suspension.

You must notify us if you are re-employed by the Commonwealth or by an Authority of the Commonwealth, on a permanent, temporary or part-time basis, or if you become the holder of a Statutory Office. This information is needed so that we can work out whether your pension can continue, or if you should again contribute to the scheme.

Reduction of invalidity pension on account of personal earnings

Invalidity pensions can be reduced where a

retired member under the age of 65 works and receives income above certain fixed levels.

You must provide the Trustees with information about any income you may be receiving as a result of working while in receipt of an invalidity pension.

If you believe you may be affected, you should contact us on 1300 000 277 for further information.

If you again become a scheme member, your invalidity pension is cancelled and your contributions to the CSS recommence. If you became a pensioner before 1 July 1991, you have a period of three months to transfer to the Public Sector Superannuation (PSS) Scheme.

Cessation of work following re-employment

If, following your re-employment, you are again retired on medical grounds, or you die before reaching your maximum retiring age, a benefit is payable from the CSS.

Generally the rate of that benefit will not be less than the updated invalidity pension you were previously receiving (or based on that rate in the case of your death), provided that when you die or are again retired, the cause of your invalidity (or death) is not related to a condition listed in a BCC that still may be applied.

Age retirement pension instead of invalidity pension

If you are retired on medical grounds after your minimum retiring age (which is generally the age of 55) but before your maximum retiring age (which is generally the age of 65), you may choose to forgo the invalidity pension and, instead, take an age retirement pension. If you do this, you would not be subject to further medical review or earnings assessment as described above.

Where can I get more information?

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Belconnen ACT 2616

WEB www.css.gov.au

Warning - This Document Contains General Advice or Information Only

Any advice in this document has been prepared without taking account of your personal objectives, financial situation or needs. Because of this, you should, before acting on any advice in this document, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You may wish to consult a licensed financial planner to do this.

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