

How leave affects your AvSuper benefit

To help you fully understand the effect taking leave will have on your superannuation entitlements, a brief summary of how your benefits accrue normally is provided below.

Accumulation Members

Your employer contributes a percentage of that part of your fortnightly pay which is recognised for superannuation.

If you are covered by an Airservices certified agreement the percentage is generally 12.5%. If you are covered by an AWA or Senior Manager contract you may receive 9%. There are other circumstances specific to CSS members where the contribution may be 3% or 9.1%.

Most employer payments you receive will be included for superannuation contribution purposes. However, some of the common payments which aren't included are overtime, payments in lieu of leave and payments on termination, e.g. redundancy payments, payments in lieu of notice and payments for unused leave.

Defined Benefit Members

Defined benefit members accrue a multiple of their Final Average Salary (FAS) for each day of membership.

For CSS defined benefit members the annual growth of the multiple is .03 and for full defined benefit members it is between .1 and .3 depending on the member's own contribution rate and their previous contribution history. The tables on page 3 provide detailed information on the relevant multiple.

Periods of part-time service affect the growth of the multiple, e.g. if a member is working 50% of standard full-time hours the multiple growth, and any member contributions to the defined benefit scheme, will be halved for the period of that part-time service.

The Final Average Salary is the average of the superannuation salaries on the three birthdays immediately preceding the cessation of employment with Airservices Australia or CASA.

This salary is always the full-time equivalent salary so it does not change if a member works part-time.

The reduction for part-time service is managed via the multiple accrual as explained above. Under the scheme rules a Final Average Salary cannot reduce. Therefore if you have a reduction in your salary for any reason, your benefits will continue to be based on your earlier higher salary and this will also be indexed for future year.

1. Paid leave

Accumulation members

As accumulation members receive an employer superannuation benefit of a percentage of their earnings each fortnight, their payments are not affected by leave on full pay. However, if leave is taken on reduced pay, this will affect the employer contributions.

For example, if a member takes long service leave on half pay, the contribution would be halved as the earnings have been halved. If members are making personal contributions on a regular fortnightly basis, they should consider whether they can afford to continue to contribute at the current rate if their salary is reduced.

To vary the contribution simply complete the [Change of Contributions](#) form which can be downloaded from our website and send it to Airservices payroll staff. It is not necessary to advise the Fund.

Defined Benefit Members

The benefit accrual of defined benefit members is not affected in any way by leave on full or reduced pay.

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Contributions to both the defined benefit scheme (if any) and the accumulation fund (if any) will continue to be deducted at the rate previously nominated. If members don't want this to happen, they need to advise their payroll area by way of a [Change of Contributions](#) form that they want to vary the defined benefit and/or accumulation contribution.

2. UNPAID LEAVE

Accumulation Members

As accumulation members receive an employer superannuation benefit which is a percentage of their actual earnings, no employer contributions would be paid when a member is not receiving any salary.

If a member takes up a position with another employer while on unpaid leave they are able to have that employer's contribution paid into their AvSuper account if they wish.

Personal contributions can also be made to AvSuper either via another employer or by lump sum payments via cheque or direct deposit to our bank account.

Defined Benefit Members

Defined benefit members will continue to accrue benefits in the normal way for the first 84 days of any absence on leave without pay. Unless a member is on sick leave without pay (see below), no benefits will accrue after 84 days.

As a defined benefit member's superannuation accrual is calculated using the member's elected contribution rate to that scheme, contributions must be paid for the 84 day period if the previously elected rate is greater than 0%. Arrangements can be made for these contributions to be deducted from the member's pay in advance. Alternatively, they may be paid by cheque or direct deposit during the absence, or approval may be sought to pay these contributions on return to duty. If the contributions remain outstanding on a member's exit, they will be deducted from the benefit payable as provided for in the Fund's Trust Deed.

Members who do not want to pay their defined benefit contributions for the 84 day period can elect to reduce to 0%. Any election will only be effective from the first day of the pay period after it is signed, and contributions will be payable up to that point. Members should consider the effect such an election will have on their benefit accrual.

Sick leave without pay – Defined benefit members on unpaid leave as a result of illness will continue to accrue full benefits and will be required to pay their nominated defined benefit contributions (if any). Members may pay these contributions in advance, by cheque or direct deposit during the absence, or approval may be sought to pay these contributions on return to duty. If the contributions remain outstanding on a member's exit, they will be deducted from the benefit payable as provided for in the Fund's Trust Deed.

Members who do not want to pay their defined benefit contributions for the period of sick leave can elect to reduce to 0%. Any election will only be effective from the first day of the pay period after it is signed, and contributions will be payable up to that point. Members should consider the effect such an election will have on their benefit accrual and also on any death and total and permanent disablement benefit which may become payable from the Fund.

3. INSURANCE COVER

Members who have automatic death and total and permanent disablement cover with the Fund need to be aware that this cover will cease when members have been absent on leave without pay for more than three months (or twelve months where the leave is parental or maternity). If coverage is required beyond this point, approval must be sought from the insurance company in advance.

It is, therefore, important that you advise the Fund when you are applying for extended leave without pay, or when unplanned absences extend beyond three months (or twelve months if absent on unpaid maternity or parental leave).

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www.avsuper.com.au

Benefit multiple

If your average annual contribution rate over the total period of your defined benefit membership is 5% or less, your benefit multiple will build up as shown in Table 1 below. If your average contribution rate over the total period of defined benefit membership is more than 5%, the benefit multiple builds up as shown in Table 2 below.

Table 1

Contribution rate as % of annual salary	Benefit multiple build up to apply to each year or part year of contributory membership (% of FAS)
0%	10%
1%	12%
2%	14%
3%	16%
4%	18%
5%	20%
6%	22%
7%	24%
8%	26%
9%	28%
10%	30%

Table 2

Contribution rate as % of annual salary	Benefit multiple build up to apply to each year or part year of contributory membership (% of FAS)
0%	10%
1%	12%
2%	14%
3%	16%
4%	18%
5%	20%
6%	21.2%
7%	22.4%
8%	23.6%
9%	24.8%
10%	26%