

How investment returns affect your superannuation benefit

NTGPASS investment returns for active and retained members are calculated and applied to members' accumulation accounts on a weekly basis. A year-to-date rate, which is the cumulative effect of each weekly return for the current financial year, is also calculated. The weekly and financial year-to-date (YTD) investment returns are posted on our web-site.

Investment returns can be either positive or negative, depending on market conditions. This means the balance of your member account will vary when the NTGPASS investment returns are applied.

If you are an active member, your NTGPASS employer-financed defined benefit is not affected by investment returns because it is calculated according to a formula based on your salary, length of service and your contribution rate and is guaranteed by the government. Although individual benefits will vary, for the average member the employer-financed benefit is generally around two thirds of their total superannuation benefit.

If you are a retained or spouse member, the entire balance of your member account is subject to NTGPASS investment returns.

How we process your benefit application

In accordance with legislative requirements, benefits are processed within 30 days of receipt of all required documentation.

Active members

When you resign from the NT Public Service and complete a benefit claim form, your employer-financed defined benefit is calculated, and together with your accumulation account, is either invested in your nominated NTGPASS investment option, transferred to an allocated pension or rolled over to a complying superannuation fund.

From that point onward, your entire superannuation benefit is subject to investment returns.

Retained and spouse members

When your benefit is processed, your account is revalued using the current weekly return for your investment option. The resulting revalued amount is then paid to you or rolled over to the superannuation fund of your choice.

Table 1 illustrates the effect of a 5% positive investment return for an active member and a retained (or spouse) member. The positive investment return results in the retained (or spouse) member having a greater increase in their benefit.

Table 1: Effect of positive return

Benefit component	Active Member	Retained/ Spouse Member
Accumulation account	\$59 600	\$200 000
NTGPASS employer-funded	\$117 000	-
NTSSS employer-funded	\$23 400	-
Balance	<u>\$200 000</u>	<u>\$200 000</u>
YTD investment return - positive 5%		
Accumulation account	\$62 580	\$210 000
NTGPASS employer-funded	\$117 000	-
NTSSS employer-funded	\$23 400	-
Balance	<u>\$202 980</u>	<u>\$210 000</u>

Table 2 illustrates the effect of a negative 5 per cent investment return for an active member and a retained (or spouse) member. The negative investment return has a lesser impact on the active member because the employer-financed benefits from NTGPASS and NTSSS are not subject to investment returns.

Table 2: Effect of negative return

Benefit component	Active Member	Retained/ Spouse Member
Balance (as per Example 1)	\$200 000	\$200 000
YTD investment return - negative 5%		
Accumulation account	\$56 620	\$190 000
NTGPASS employer-funded	\$117 000	-
NTSSS benefit	\$23 400	-
Balance	<u>\$197 020</u>	<u>\$190 000</u>

Disclaimer

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