

# NTGDIS Benefit Claim Form - Invalidity

The Northern Territory Government Death and Invalidity Scheme (NTGDIS) covers eligible NT Public Sector employees, police officers, and executive contract officers who are in choice of fund superannuation arrangements (i.e. employees who are not NTGPASS or CSS members). NTGDIS also covers members of the Legislative Assembly elected for the first time on 18 June 2005 or later.

The NTGDIS provides lump sum death and invalidity benefits and is administered by the NT Superannuation Office, a division of the Department of Treasury and Finance.

This form should be read in conjunction with the NTGDIS death and invalidity fact sheet, available on our website.

## 1. Who should use this form?

To be eligible for NTGDIS benefits, an employee must be less than 60 years of age and have been assessed as totally and permanently unfit for any form of employment (as defined by section 45F of the *Superannuation Act*) and subsequently retired from the NT Public Service on invalidity grounds.

The employee must also be either:

- a permanent employee (full time or part time);
- a temporary employee on a fixed term contract of at least six months; or
- a temporary employee on a short-term contract who has had at least six months continuous employment.

Casual employees are not eligible for cover.

Cover under NTGDIS automatically ceases when an employee ceases NT Public Sector employment, however, former members may be eligible to apply to the Commissioner of Superannuation for payment of a benefit if they had become subject to invalidity at the time that they ceased NT Public Sector employment.

NTGPASS members claiming an invalidity benefit need to complete the *Benefit Claim Form - Defined Benefit*.

If you are unsure about your eligibility or would like further information about the NTGDIS, please contact the NT Superannuation Office.

## 2. Invalidity benefit

The lump sum benefit is calculated as follows:

$$17.5\% \times \text{prospective years of service} \times \text{benefit salary} \times \text{part time ratio}$$

Prospective years of service are calculated as the difference between your age at invalidity retirement and age 65, or if retirement is compulsory at a younger age, that age. For part time employees, the part time ratio is taken into account for the calculation of prospective service.

The benefit salary is the final salary for superannuation purposes at the date of invalidity retirement. For part time employees, the benefit salary is converted to the full time equivalent salary.

The benefit may be reduced based on factors outlined in note 3.

### 3. Benefit offsets and reductions

The NTGDIS invalidity retirement benefit:

- is reduced after age 50 and ceases at age 60;
- is reduced where workers' compensation lump sum or regular payments are payable (including amounts payable under a workers compensation agreement such as a "Hopkins Agreement");
- ceases when an employee leaves Northern Territory public sector employment.

Invalidity retirement benefits are not offset against any private death or invalidity cover an employee may have purchased (e.g. through a life insurance provider or superannuation fund).

For further information about benefit offsets and reductions please refer to the NTGDIS fact sheet, available from our website.

### 4. Claiming your benefit

Your NTGDIS benefit is a superannuation benefit. In general, you can roll over all or part of your superannuation benefit to a complying superannuation fund or take it as a lump sum payment.

You are encouraged to seek independent financial advice to help you make the most appropriate choice for your individual circumstances.

Payment options cannot be changed once your benefit application has been processed.

### 5. Taxation

NTGDIS benefits comprise a taxable (i.e. untaxed) component and a tax-free component. The following tax rates apply to lump sum benefits paid on invalidity grounds. Different tax rates apply for death benefits.

Component	Tax Applicable
<b>Tax free component</b>	Exempt
<b>Taxable component<sup>1</sup></b>	
<b><i>Untaxed element</i></b>	
Under preservation age	30% up to \$1.650 million
Top marginal tax rate on excess	
Preservation age to 59	15% up to low rate cap <sup>2</sup>
30% over low rate cap <sup>2</sup> up to \$1.650 million	
Top marginal tax rate on excess	
Over age 60	15% up to \$1.650 million
<b>Top marginal tax rate on excess</b>	

1 Plus Medicare Levy (2%) if you take your entitlement in cash

2 Low rate cap is \$230 000 for 2022-23

3 Untaxed amounts over \$1.650 million (2022-23) will be taxed at 47%.

Proportioning rules apply to any lump sum payment that is less than the total amount of the superannuation benefit. The payment will be proportioned between the tax components.

## 6. Tax file number

Commonwealth tax legislation requires that where you have not provided your tax file number (TFN), tax must be deducted at the highest marginal tax rate from any lump sum payment.

## 7. Taxation of superannuation lump sums for terminally ill

The *Income Tax Assessment Act 1997* and *Superannuation Industry (Supervision) Regulations 1994* allow people with a terminal medical condition to access lump sum benefits from their superannuation fund tax-free.

A member is taken to be terminally ill if two medical practitioners (one of whom must be a specialist) certify that the member suffers from an illness, or has incurred an injury, that is likely to result in the death of the person within a period that is not more than 24 months after the date of certification.

A benefit paid to a person with a terminal illness cannot be rolled over.

## 8. Identification requirements

You must provide proof of identity if you are taking any part of your benefit as a lump sum payment. However, proof of identity is not required for members who roll over their entire benefit to an external super fund. Instead you will be required to provide your TFN which we will validate with the ATO. If you do not provide your TFN or if it cannot be validated, you will be required to provide proof of identity.

You can provide original or certified copies of identity documents that verify your full name, date of birth and current residential address, for example your driver's licence. If you have changed your name, and your name is now different to the name we have recorded, you will need to provide a document that verifies your change of name.

For a list of acceptable identity documents, please refer to our fact sheet *Proving Your Identity*. If you provide certified copies of identity documents, you must also get the authorised certifier to complete the form *Identity Certification* and return it to our office with your application.

## 9. Payment options

### Payment option 1

#### **Roll over my benefit to a complying superannuation fund**

Select payment option 1 to have your entire benefit rolled over to your nominated superannuation fund. A benefit paid to a member with a terminal illness (see note 7) cannot be rolled over.

### Payment option 2

#### **Pay my benefit to my nominated bank account**

Select payment option 2 to have your entire benefit paid into your bank account.  
Lump sum benefits are paid net of tax to you.

### Payment option 3

#### **Pay part of my benefit to my nominated bank account and roll over the balance to a superannuation fund**

Select payment option 3 to have part of your benefit paid to your bank account.  
Lump sum benefits are paid net of tax to you.

## 10. Disclaimer

The information made available in this form is provided as a guide only and should not be relied upon for making financial commitments.

The Commissioner of Superannuation and the Northern Territory of Australia accept no responsibility for any losses arising from any use or reliance upon the information or conclusions reached using the information.

# NTGDIS Benefit Claim Form - Invalidity

Personal details			
Full Name			
Residential Address (compulsory)			
Postal address			
Email			
Phone (b/h)		Mobile	
Member No (AGS)		Date of Birth	
Tax File Number*			
<p>*Australian legislation authorises superannuation funds to collect your Tax File Number (TFN), which will only be used for lawful purposes. If you do not provide your TFN, your benefit will be taxed at the highest marginal tax rate.</p>			
<p><b>PLEASE CHOOSE ONE PAYMENT OPTION ONLY</b></p> <p>If the following payment options do not cover your circumstances, please attach your requirements in writing to this claim form and we will try to accommodate your needs.</p>			
<p><input type="checkbox"/> Payment Option 1 Rollover my benefit to a complying superannuation fund (certified ID not required)</p>			
Superannuation Fund			
Postal Address			
Membership Number			
Australian Business Number (ABN)			
Unique Superannuation Identifier (USI)			
Phone Number of Fund			
SMSF electronic service address*			
SMSF bank account name*			
SMSF BSB*			
SMSF bank account number*			
<p>*Only complete these fields if you are rolling all or part of your benefits to a Self Managed Superannuation Fund (SMSF)</p>			

<input type="checkbox"/> <b>Payment Option 2 Pay my benefit to my nominated bank account (certified ID required)</b>			
Payment will only be made by EFT to an Australian bank account. Complete your banking details below.			
<b>Bank/Building Society/Credit Union Branch</b>			
<b>Account Name</b>			
<b>BSB Number</b>		<b>Account Number</b>	
<input type="checkbox"/> <b>Payment Option 3 Pay part of my benefit to my bank account and roll over the balance (certified ID required)</b>			
<b>Payment details</b>			
<b>Withdrawal amount</b>			
<input type="checkbox"/> \$ _____ (minimum \$5000, and net of tax)			
Complete your banking details below.			
<b>Bank/Building Society/Credit Union Branch</b>			
<b>Account Name</b>			
<b>BSB Number</b>		<b>Account Number</b>	
<b>Rollover Details</b>			
The balance must be rolled over to a complying superannuation fund.			
<b>Rollover Fund</b>			
<b>Your Membership Number</b>			
<b>Postal Address of Fund</b>			
<b>Australian Business Number (ABN)</b>			
<b>Unique Superannuation Identifier (USI)</b>			
<b>Phone Number of Fund</b>			
<b>SMSF electronic service address*</b>			
<b>SMSF bank account name*</b>			
<b>SMSF BSB*</b>			
<b>SMSF bank account number*</b>			
*Only complete these fields if you are rolling all or part of your benefits to a Self Managed Superannuation Fund (SMSF)			

## Privacy statement

The Northern Territory Superannuation Office is a division of Northern Territory Treasury and Finance, a Northern Territory Government Agency. The privacy and confidentiality of your personal information is important to the Northern Territory Superannuation Office. The information collected will only be used for the purpose for which it was supplied for administering your superannuation account and your information will not be disclosed to any third party unless required by law or authorised by you. To obtain further information about the NT Government privacy policy or the *Information Act*, please visit the Northern Territory Government website at [www.nt.gov.au](http://www.nt.gov.au).

## Member declaration

I understand

- that the Northern Territory Superannuation Office can provide me with information but cannot give me financial advice and that the information provided is a general guide only and does not constitute personal financial advice.
- that my chosen payment option cannot be changed once this claim form has been processed.
- that the personal details requested on this form will only be used to process my request and to administer my NTGDIS benefit.

**I have provided the original or attached a certified copy of my identity document(s)** (not required if you have provided your TFN and are rolling your entire benefit to an external superannuation fund).

Signature: \_\_\_\_\_ Date: \_\_\_\_\_