NTG-P25-V07

**Understanding NTGPASS and NTSSS Benefits**

This fact sheet provides a brief outline of NTGPASS and NTSSS benefits.

**NTGPASS**

NTGPASS is a defined benefit scheme that provides members with an employer-funded lump sum benefit.

The benefit is paid when members leave the scheme (usually on resignation), and is equal to:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 2.5% | x | benefit | x | benefit |  |  |
| points | salary |  |

Each of these components is explained below.

**Benefit points**

As an active NTGPASS member you make compulsory contributions of 2 to 6 per cent of your ***contribution salary*** to a complying superannuation fund of your choice.

Your ***contribution salary*** is recorded at the annual review on 1 October each year and is equal to your actual annual rate of salary plus approved allowances (different rules apply for members of the Police Force and for members on Executive Contracts).

Each 1 per cent of compulsory contributions made for a year of full time employment entitles you to one benefit point.

|  |  |
| --- | --- |
| Contribution Rate  | Annual Benefit Points |
|  |  |
| 2% | 2 |
| 3% | 3 |
| 4% | 4 |
| 5% | 5 |
| 6% | 6 |

The more benefit points you accumulate, the greater your NTGPASS benefit will be.

Part time employees’ benefit points are pro-rated in proportion to the amount of part time work being performed at the annual review date.

**Benefit Salary**

Your benefit salary is the average of your last three contribution salaries after these salaries have been indexed at your exit date by the movement in Northern Territory average weekly ordinary time earnings. Part time salaries are converted to full-time equivalent values before they are indexed.

**Example – 2% contribution rate**

Robert chooses to make compulsory contributions of 2% of salary for his entire active membership of 25 years. Robert accumulates 2 benefit points per year and will have a total of 50 benefit points on exit. His benefit salary is $60 000.

Robert will receive the following accrued employer component:

 2.5% x 50 x $60 000 = $75 000

**Example – 6% contribution rate**

Using the same factors as above, but with Robert choosing to make compulsory contributions of 6% throughout his 25 years of membership, he will accumulate 150 benefit points on resignation (25 x 6).

Robert will receive the following accrued employer component:

2.5% x 150 x $60 000 x 1 = $225 000

**NTSSS**

Active members of NTGPASS also receive a benefit from the NT Supplementary Superannuation Scheme (NTSSS), equal to 3% of final salary for each year of eligible service since 1 October 1988.

If your accrued employer component from NTGPASS does not satisfy the minimum Superannuation Guarantee (SG) requirements you will also receive a SG top up payment from NTSSS. The current minimum rate for SG payments is 11%.

**Example – NTSSS**

Where Robert’s NTGPASS accrued employer component satisfies SG requirements, such as in the 6% contribution rate example above, his NTSSS benefit would be equal to:

3% x $60 000 x 25 years = $45 000

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