



SuperSplitter V1.0.43
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This example uses parameters from the example given on the Attorney General's website
<http://152.91.15.12/www/familylawHome.nsf/AllDocs/RWP74B13952E4741F37CA256C82000ABAD7?OpenDocument>

Calculation Inputs

(a) Is interest in self-managed superannuation fund	No
(b) Is interest under Small Superannuation Accounts Act 1995	No
(c) Plan is about to be restructured	No
(d) Parties are de facto or same sex	No
(e) Section 79 order was finally concluded prior to 28 December 2002	No
(f) Section 87 order was finally concluded prior to 28 December 2002	No
(g) Relevant Date (i.e. calculation date)	22/11/2003
(h) Name (MS)	Eduardo
(i) Date of Birth (MS)	11/01/1946
(j) Gender (MS)	"Male"
(k) Type of Order	"Type (a) - Growth Phase"
(l) Composition of Interest	"Whole is a Defined Benefit Interest"
(m) Method for valuing Defined Benefit Interest	"Normal - Apply Schedule 2 methods"
(n) How is Defined Benefit Interest payable?	"Payable as Both Lump Sum & Pension"
(o) How has the trustee expressed the Accrued Benefit Multiple? Lump Sum Multiple"	"Accrued Benefit Multiple (ABM) or Lump Sum Multiple"
(p) Commutation Factor	12
(q) Accrued Benefit Multiple for Lump Sum	6.3
(r) Salary on which Lump Sum benefits are based	\$72,000.00
(s) Salary on which Pension benefits are based	\$72,000.00
(t) Method for Specifying Retirement Date	"Enter Retirement Date or Age"
(u) Explicit Retirement Date	11/01/2011
(v) Reversion Percentage	55%
(w) Pension Indexation Method	"Indexed at 5%"
(x) Type of Pension Guarantee	"5 Years"
(y) Restriction on combination of lump sum and pension that may be taken	No

Report Index

1. Final calculation of DBI combining lump sum & pension components
2. DBI - Pension
3. DBI - Lump Sum

(1)

Reg 29, Sch 2.28 Family Law (Superannuation) Regulations 2001

(Growth Phase)

Valuation of gross value of defined benefit interest where benefit is payable as combination of lump sum and pension, and there is no restriction on maximum amount of lump sum that may be taken, or the proportion specified is 50% or more.

Valuation: \$464,552.25

Calculation Detail

Valuation

= (Present Value If Benefit Payable Only As Lump Sum + Present Value If Benefit Payable

Only As Pension)/2
= (PV_{ls} + PV_p)/2
= (\$396,673.20 + \$532,431.30)/2
= \$464,552.25

Calculation Method

The formula is:

$$\frac{PV_{ls} + PV_p}{2}$$

Where:

PV_{ls} (\$396,673.20) is the present value of the lump sum that would apply if the whole benefit could, and were to, be taken as a lump sum, calculated using the method set out in Part 2 of Schedule 2.

PV_p (\$532,431.30) is the present value of the pension that would apply if the whole benefit could, and were, to be taken as a pension, calculated using the method set out in Part 3 of Schedule 2.

(2)

Reg 29, Sch 2 Pt 3 Family Law (Superannuation) Regulations 2001

(Growth Phase)

Valuation of gross value of defined benefit interest where benefit is payable only as a pension.

Valuation: \$532,431.30

Calculation Detail

Valuation

= Lump Sum Value of Accrued Pension Benefit at Retirement Age x Lump Sum Valuation Factor
= VN x F_{y+m}
= \$608,840.82 x 0.8745
= \$532,431.30

Where:

Lump Sum Value (VN)

= Accrued Pension Benefit at Relevant Date x (Pension Valuation Factor + (Reversion Valuation Factor x Reversionary Proportion))
= B x (P_{ra} + (R_{sa} x r))
= \$37,800.00 x (15.6603 + (0.812 x 55%))
= \$37,800.00 x (15.6603 + 0.4466)
= \$37,800.00 x 16.1069
= \$608,840.82

Value of Pension Benefit (B)

= (Accrued Pension Multiple x Salary Base Figure)
= 0.525 x \$72,000.00
= \$37,800.00

$$\begin{aligned}
& \text{Lump Sum Valuation Factor (F}_{y+m}\text{)} \\
& = ((F_y \times (12-m)) + (F_{y+1} \times m))/12 \\
& = ((0.8763 \times (12-1)) + (0.8551 \times 1))/12 \\
& = ((0.8763 \times 11) + (0.8551 \times 1))/12 \\
& = (9.6393 + 0.8551)/12 \\
& = 0.8745
\end{aligned}$$

$$\begin{aligned}
& \text{Accrued Pension Multiple (APM)} \\
& = \text{Lump Sum Multiple/Commutation Factor} \\
& = 6.3/12 \\
& = 0.525
\end{aligned}$$

Calculation Method

The method for determining the gross value, at the relevant date, of a defined benefit interest, if the benefit in respect of the interest is payable only as a pension is:

$$VN \times f_{y+m}$$

VN (\$608,840.82) is the lump sum value of the accrued pension benefit in respect of the interest at the member's retirement age, calculated in accordance with the following formula:

$$B \times (P_{ra} + (R_{sa} \times r))$$

f_{y+m} (0.8745) is the lump sum valuation factor calculated in accordance with the following formula:

$$\frac{(f_y \times (12 - m)) + (f_{y+1} \times m)}{12}$$

Where:

f_y (0.8763) is the lump sum valuation factor mentioned in Schedule 2(19) (Valuation factors - 5-year guarantee period - pension indexed at 5%) that applies at the relevant date to the term remaining in complete years (7) until the member spouse reaches the member's retirement age (65). See page 139¹ - row 7.

m (1) is the number of complete months of the remaining term that are not included in the remaining complete years at the relevant date.

f_{y+1} (0.8551) is the lump sum valuation factor mentioned in Schedule 2(19) (Valuation factors - 5-year guarantee period - pension indexed at 5%) that would apply if the member spouse's term to retirement in complete years were one year more (i.e. 8) than the member spouse's term to retirement in complete years at the relevant date. See page 139¹ - row 8.

B (\$37,800.00) is the value of the pension benefit that had accrued in respect of the interest at the relevant date, being the product of the member spouse's accrued benefit multiple for a pension, as provided by the trustee under section 90MZB of the Act, and the salary figure on which benefits in respect of the interest, at that date, would be based, assuming that the member spouse were eligible to retire at that date.

P_{ra} (15.6603) is the pension valuation factor mentioned in the relevant clause of Part 3 of Schedule 2 that applies to the pension and the member's retirement age. In this case, the factor is prescribed in Schedule 2(19) (Valuation factors - 5-year guarantee period - pension indexed at 5%) for 65 years. See "Pension valuation factors" page 160¹ - row 65.

R_{sa} (0.812) is the reversion valuation factor mentioned in the relevant clause of Part 3 of Schedule 2 that applies to the pension and the member spouse's age in completed years at the relevant date. In this case, the factor is prescribed in Schedule 2(19) (Valuation factors - 5-year guarantee period - pension indexed at 5%) for 55 years. See "Reversion valuation factors" page 161¹ - row 55.

r (55%) is the proportion of the superannuation interest that the reversionary beneficiary of the member spouse would receive on the death of the member spouse, as provided by the trustee under section 90MZB of the Act.

(3)

Reg 29, Sch 2 Pt 2 Family Law (Superannuation) Regulations 2001

(Growth Phase)

Valuation of gross value of defined benefit interest where benefit is payable only as a lump sum.

Valuation: \$396,673.20

Calculation Detail

Valuation

$$\begin{aligned} &= A \times F_{y+m} \\ &= (\text{Accrued Benefit Multiple For Lump Sum} \times \text{Salary On Which Benefits Would be Based}) \times F_{y+m} \\ &= (6.3 \times \$72,000.00) \times 0.8745 \\ &= \$453,600.00 \times 0.8745 \\ &= \$396,673.20 \end{aligned}$$

Where:

$$\begin{aligned} &\text{Lump Sum Valuation Factor } (F_{y+m}) \\ &= ((F_y \times (12-m)) + (F_{y+1} \times m))/12 \\ &= ((0.8763 \times (12-1)) + (0.8551 \times 1))/12 \\ &= ((0.8763 \times 11) + (0.8551 \times 1))/12 \\ &= (9.6393 + 0.8551)/12 \\ &= 0.8745 \end{aligned}$$

$$\begin{aligned} &\text{Accrued Benefit Multiple } (ABM) \\ &= 6.3 \text{ (supplied by Trustee)} \end{aligned}$$

Calculation Method

The method for determining the gross value, at the relevant date, of a defined benefit interest, if the benefit in respect of the interest is payable only as a lump sum is:

$$A \times f_{y+m}$$

A (\$453,600.00) is the value of the lump sum benefit that has accrued in respect of the interest at the relevant date (22/11/2003), being the product of the member spouse's accrued benefit multiple for a lump sum, as provided by the trustee under section 90MZB of the Act, and the salary figure on which benefits in respect of the interest, at that date, would be based, assuming that the member spouse were eligible to retire at that date.

f_{y+m} (0.8745) is the lump sum valuation factor calculated in accordance with the following formula:

$$\frac{(f_y \times (12 - m)) + (f_{y+1} \times m)}{12}$$

Where:

f_y (0.8763) is the lump sum valuation factor mentioned in Schedule 2, Part 2 (Method - benefit payable only as lump sum) that applies at the relevant date to the term remaining in complete years (7) until the member spouse reaches the member's retirement age (65). See page 139¹ - row 7.

m (1) is the number of complete months of the remaining term that are not included in the remaining complete years at the relevant date.

f_{y+1} (0.8551) is the lump sum valuation factor mentioned in Schedule 2, Part 2 (Method - benefit payable only as lump sum) that would apply if the member spouse's term to retirement in complete years were one year more (i.e. 8) than the member spouse's term to retirement in complete years at the relevant date. See page 139¹ - row 8.