

For the purposes of calculating a CRA (as relevant), the actuarial model can be accessed [here](#).

Rule 3.14 of the National Disability Insurance Scheme (Supports for Participants- Accounting for Compensation Rules) 2013 requires the publication of the actuarial model used in the calculation of the compensation reduction amount component Rule 3.13(e).

The Chief Executive Officer, as advised by the NDIS Scheme Actuary, takes into account various pieces of information to determine the value of the reasonable and necessary supports that would have been provided to the participant and funded under the Act over the participant's expected lifetime, had the participant been a participant from the time of the compensable event. This information includes a participant's:

- age
- gender
- disability type
- functional capacity
- injury date
- [award date](#)

The calculation has the following components:

- The amount is a net present value calculation over the expected future lifetime of the participant based on their age, gender, disability, functional capacity, injury date and award date.
- The participant is assumed to remain a participant in the Scheme until they die.
- The mortality rate begins with the age and gender-specific general population [mortality rate](#) and increases this to account for a participant's disability type and [functional capacity](#).
- An allowance is made for expected future improvements in general population mortality based on [historic trends](#).
- [Projected support payments are varied according to the participant's age, disability type and functional capacity.](#)
- [Expected future payments are increased with inflation, at the rate of 4% p.a. and then discounted for the time value of money at 6% p.a.](#)

The calculation intentionally takes a longer-term view of participant circumstances based on their age, gender, disability and functional capacity. The calculation does not take into account other participant circumstances, such as their current level of informal supports or their current NDIS plan details, as these are likely to vary significantly over a participant's lifetime.

The award date is the date that the compensation was paid to the participant.

Mortality rate: recent available Australian Life Tables, currently ALT 14-16.

Functional capacity: based on a blend of benchmark assumptions and NDIS-specific experience.

Historic trends: recent available Australian Life Tables, currently ALT 10-12.

Projected support payments: based on emerging NDIS participant experience, and noting that this experience may change, perhaps materially, as the Scheme matures.

Lifetime costs: the lifetime costs are very sensitive to the assumed economic assumptions, especially the gap between the inflation rate and discount rate.

This page current as of
26 August 2019