

SuperViews

From the office of the
Employee Representative
SAS Trustee
Corporation Board



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RETIRING – HOW TO APPLY FOR YOUR BENEFIT

In the Winter 2005 edition of SuperViews we focused on when your superannuation benefit could be paid from your scheme and how the Commonwealth Government preservation standards affect its payment.

In this article, we offer guidance on the steps you need to take to receive payment of your superannuation benefit, once you have voluntarily retired from your NSW public sector employment on or after reaching your scheme's retirement age.

This article does not address applications for benefits payable on invalidity retirement, retrenchment or resignation. Information on these benefits is contained in the relevant Fact Sheet on the web at: www.statesuper.nsw.gov.au Alternatively, Customer Service will be happy to assist you: **SASS** 1300 1300 95; **SSS** 1300 1300 96; **PSS** 1300 1300 97.

How can I prepare for my retirement?

■ **Understand your scheme rules.** It is important that you obtain information about your benefit entitlements from your superannuation scheme. General benefit information can be found in the Fact Sheets which are available on the State Super website. However, Customer Service can help you to understand your individual benefit entitlements by providing you with a benefit quote.

■ **Attend a Retirement Preparation seminar.** These seminars are conducted by State Super and are provided to help you to understand the choices you have when you retire. Invitations to these seminars are issued to members from age 52 or **you can book to attend a seminar by emailing stcseminars@statesuper.nsw.gov.au or by phoning (02) 9238 5930.**

■ **Seek professional financial advice.** It is important to plan effectively for retirement. Taxation, superannuation and Centre Link rules are complex. You may benefit from seeking professional financial advice at least a year before the date you plan to retire.

At what age can I be paid a retirement benefit?

The scheme rules set the ages at which early retirement and normal retirement benefits (both referred to as "retirement benefits") are available to you. Your scheme normal retirement age is shown on your annual statement. The earliest ages at which retirement benefits become payable are as follows:

Scheme	Earliest Retirement Age
State Superannuation Scheme (SSS)	55 years
State Authorities Superannuation Scheme (SASS)	58 years for most members (55 for some transferees from other schemes)
Police Superannuation Scheme (PSS)	55 years

It is important to note that while payment of your benefit may be allowed under the scheme rules, access to the preserved part of the benefit is also dependent on whether you have reached your *Preservation Age* or have satisfied one of the other conditions of release under Commonwealth Government preservation requirements.

Further details on the preservation rules can be found in STC Fact Sheet 4 **When can I be paid my superannuation benefits?** We also addressed these rules in the Winter 2005 edition of SuperViews.

| Do I have to retire?

No. Even though you may have reached the scheme retirement age, you do not have to retire at that age. However, before you decide whether to continue to work, it is recommended that you obtain professional financial advice.

| How do I apply for my retirement benefit?

DOCUMENTATION REQUIRED BY PILLAR (THE SCHEME ADMINISTRATOR)

FROM YOU:

- **Application form**

The following table indicates the application form required for each scheme. You should take care in completing the form and ensure that all relevant sections are completed.

Retirement Benefit Application Forms

Scheme	Title of form	Form ID number
SASS	Application for payment or deferral of a SASS benefit	SASS 412
SSS	Application for payment or deferral of SSS benefit	SSS 512
PSS	Application for retirement benefit	PSS 602

Note: Your employer's Human Resources or Payroll Manager should be able to provide you with an application form. Copies of the forms are also available at www.statesuper.nsw.gov.au. Alternatively, you can contact Customer Service and we will send one to you.

- **Your tax file number** (if not already provided)

You do not have to provide your Tax File Number (TFN). However, if you have not provided your TFN to Pillar this may have implications for the amount of tax you pay on your benefit. For further details please see the section on *Tips for completing your Application Form*.

- **Proof of your age**

This must be supplied. The original or certified* copy of one of the following is all that is needed: *Birth certificate, passport, certificate of Australian citizenship, certificate or evidence of Australian residency, current RTA photo driver's licence*. If you provide a birth certificate, make sure that proof of any change of name, eg. marriage certificate is also provided if your current name is not the same as the name on your birth certificate. (**Certified* means the document has been sighted by a Justice of the Peace or a Solicitor and signed as a true copy of the original.)

2 |

FROM YOUR EMPLOYER:

Before you cease employment, we *recommend* that you verify with your employer's Human Resources or Payroll Manager that the following action has been taken:

- **Advice that you have ceased employment**

Your Employer must notify Pillar of your last date of service.

- **Superable salary**

Your Employer must advise Pillar of your superable salary at exit.

- **Remittance of final personal contributions**

Pillar cannot pay your benefit unless your Employer has remitted all personal superannuation contributions deducted from your salary and advised in the exit notification. (It is a requirement of the various schemes' legislation that you have paid or made arrangements to pay all personal contributions before your benefit can be paid.)

ADDITIONAL REQUIREMENTS:

- *Between ages 55 and 60* release of all of a benefit is generally subject to confirmation that you have retired permanently from the workforce. Please check your Annual Benefit Statement for detailed information about how your benefit is affected by the Commonwealth preservation requirements.
- *Between ages 60 and 65*, if you have a deferred benefit, advice would be required that you are leaving or changing your current employment.

Visit us on the web at:

www.statesuper.nsw.gov.au

or phone Customer Service:

SASS 1300 1300 95; **SSS** 1300 1300 96; **PSS** 1300 1300 97

Tips for completing your Application form

- If you are seeking professional financial advice it is best to do so before completing the form and sending it in. Subsequent amendments to payment instructions can delay processing.
- Answer all questions.
- Provide accurate bank details of an account in your name (or held jointly in your name) eg. correct BSB and account number. If you need to open a new account, please ensure the account is **open** before sending the form in, so that you can provide the account details.
- Supply full and correct name of a rollover fund – including the fund’s Superannuation Product Identification Number – SPIN, and ABN – not just the name of the organisation, as often they have multiple investment products. Make sure your account within that product has been opened. If the SPIN is not available, please provide your membership number with the rollover fund.
- Understand the difference between rolling your benefit to another fund and deferring your benefit in your scheme.
- Understand that we cannot pay a cash benefit to a third party. It must be paid to you.
- If you have a surcharge debt, please provide instructions for payment.
- Tax file number (TFN) – you may not have provided your TFN to Pillar. It is not compulsory, however, if you do not do so, any lump sum benefit paid to you in cash will have PAYG tax deducted at the highest marginal tax rate rather than at superannuation concessional rates. You can provide your TFN to Pillar by telephoning Customer Service. Alternatively, if you are applying for a benefit payment from your scheme, it is wise to provide a *Tax file number declaration* form (NAT 3092) with your application. The provision of this form is necessary, in any event, if you are going to receive a pension benefit from your scheme. Your employer may be able to provide you with a *Tax file number declaration* form – alternatively, the form is available from the Australian Taxation Office.

Note: *It is recommended that you submit your paperwork approximately 3 weeks before your retirement.*

Send your completed application form and attached information to:

State Super
PO Box 1229
Wollongong NSW 2500

*We also recommend that you check your application to ensure you have included **all** details required by Pillar to process your benefit. This will enable Pillar to process your application without delay.*

3

What happens if I receive a backdated salary increase after I submit my form?

In certain circumstances, you may receive a payment from your former employer for arrears of pay from an annual salary increase backdated to a date before your retirement. Such a salary adjustment may increase your superannuation benefit entitlement. Therefore, it is important that you confirm with your former employer that Pillar has been notified of the salary increase. You should also check with Pillar that the notification has been received and that Pillar is making any required adjustment to your superannuation benefits.

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Investment Update – September 2005

The 2005/2006 financial year got off to a very strong start with the September 2005 quarter net investment returns for strategies with growth assets being well above those for the same period in the previous year as follows :-

Strategy	September Quarter 2005 %	September Quarter 2004 %
Growth	5.5	1.6
Balanced	4.0	2.1
Conservative Growth	2.6	2.0
Cash	1.2	1.2

Since September 2005 share markets have weakened and at the time of writing this report the indicative year to date return for the Growth Strategy has fallen from 5.5% for quarter ended 30 September 2005 to approximately 3% in late October 2005.

The Pooled Fund's net investment returns for the four investment strategies and the movement in the Consumer Price Index (All Capital Cities) for periods ended 30 September 2005 were as follows :-

Strategy	3 Months %	1 Year %	3 Years % per annum	5 Years % per annum
Growth	5.5	17.4	12.2	4.9
Balanced	4.0	13.7	N/A	N/A
Conservative Growth	2.6	10.1	N/A	N/A
Cash	1.2	4.9	N/A	N/A
CPI	0.9	3.0	2.6	2.7

The recently announced September 2005 quarter consumer price index (CPI) which rose 0.9% versus the 0.6% rise in the June 2005 quarter is reflecting the increased cost of fuel and its flow on effect to other commodities. Should the CPI continue to rise there may well be a review of interest rate levels in Australia which may have a negative effect on domestic financial markets.

The table below indicates asset sector returns for periods to 30 September 2005 as reflected by the relevant indices used to measure those sectors. The returns are before allowing for tax and fees.

	3 Months %	1 Year %	3 Years % per annum	5 Years % per annum
Australian Shares (ASX 200)	10.0	32.2	21.1	11.4
International Shares (unhedged)	6.7	12.4	7.2	-6.7
Listed Property Trusts	4.0	16.5	16.9	15.7
Australian Fixed Interest	0.7	5.7	5.5	6.6
International Fixed Interest (hedged)	0.4	8.8	7.4	8.5
Cash	1.4	5.7	5.4	5.3



Disclaimer: Reasonable care has been taken in producing the information in this newsletter, which gives a general interpretation of the issues. Relevant information is subject to the Acts that govern the Schemes mentioned in the newsletter and those Acts will prevail to the extent of any conflict.

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In preparing this newsletter, STC has not taken into account your objectives, financial situation or needs and, because of this, you should consider your personal circumstances and possibly seek professional advice, before making any decision that affects your future.

With respect to material in this newsletter that has been prepared by organisations other than STC, STC does not necessarily agree with the opinions expressed therein, nor take any responsibility for the accuracy or completeness of the information contained in that material.

The secrets of planning for retirement

Recent research* into life after retirement has revealed some very interesting trends. In particular, the research focused on what respondents regretted about the way they had planned for retirement. In other words, if they had their time again, what would they have done differently?

Some of the responses included, I wish I had...

..... started saving for retirement earlier

Nearly half of the respondents (48%) of the 55 to 64 year olds surveyed wished that they had started saving for retirement earlier.

Do you know if you are making the most of your superannuation? This knowledge is particularly important if you are a member of a defined benefit scheme – such as SSS or SASS. To find out more about your scheme and your final superannuation benefits, you should contact your trustee or fund administrator. Another excellent option is to attend the retirement preparation seminars held by your trustee. These seminars explain your fund and how your benefits are calculated and just as importantly they cover the financial planning issues that you will need to consider.

..... done more financial planning and sought expert financial advice

35% of respondents between the ages of 55 and 64 felt they should have sought professional retirement planning advice.

A financial planner can help you develop a financial strategy that will assist you to achieve your post work goals. Your financial plan will act like a road map that will guide you to retirement and beyond. And because our lives constantly change, especially in retirement, you will need to review your plan from time to time to ensure that it continues to meet your needs.

..... taken better care of my health and exercised more

40% of retirees wished they had taken better care of their health and 45% wished they had exercised more.

With the improvements in medical care and general living standards, many Australians today will be living to their 80's and 90's. This needs to be factored into your retirement plans. Will you have enough superannuation and other financial resources for your retirement? Good health means you can remain active and enjoy your retirement. Simple changes to include incidental exercise in your life, such as walking an extra bus stop on the way home or parking on the far side of the car park to do your shopping can improve your long term health. Getting a health check with you GP can also highlight areas that may need your attention.

..... retired later

30% of respondents wished they had remained in the workforce longer.

This ties in with another finding of the research, that more retirees are taking the opportunity to “ease” into retirement with part time work. For many, this period represents an opportunity to turn a hobby into a business or to downscale the level of responsibility they have while still maintaining a link with the workforce. Another plus of this arrangement is that your superannuation will be supplemented for a period, helping to alleviate the likelihood of your super running out before you do.

Do you need to talk to a financial planner about your retirement plans?

State Super Financial Services is one of Australia's leading retirement planning organisations with over \$5.4 billion in funds under advice and more than 35,000 clients (as at 30/9/05). Our services are exclusively available to current and former public sector employees and their families.

If you are within one to two years of retirement and would like to find out how we can help you plan your financial future, call **1800 620 305** or visit our website at **www.ssfs.com.au**

* Citibank Retirement Index Aug 2005

This information is of a general nature only, is not comprehensive, and is not specific to your personal circumstances or needs. It is published for your interest. Before making any decisions based on this information you should consider its appropriateness to you. Every effort has been made to ensure the information contained in it is accurate. We strongly recommend that you consult a Financial Planner before taking action based on this information.

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