Salary for Superannuation Purposes

Why is my superable salary important?
Your superable salary is very important because it influences the amount of personal contributions you pay to SASS and the benefits you receive from the Scheme, especially the employer-financed benefits.

Your employer-financed benefits are calculated using your final salary or final average salary. These terms mean:

- **final salary**: the amount of salary for superannuation purposes, paid or payable on your exit date
- **final average salary**: the average of the salaries for superannuation purposes, paid on your exit date and the two preceding annual review days (31 December).

Each of the SASS Fact Sheets that describe benefit payments specify which salary figure is used to calculate a specific benefit.

Your superable salary is also important if you are eligible to receive additional employer contributions (AEC), as these are based on the superable salary reported by your employer on your last Review Day.

When is my superable salary assessed?
Your employer is required to report to the Scheme administrator, Mercer, the annual superable salary being paid to you on 31 December each year.

Your employer is also required to report the superable salary figure payable to you on the last day of your employment. Any retrospective salary increase paid after your exit must also be reported so that your benefit entitlements are correctly assessed. You should contact your employer if you disagree with any salary/ies provided.

What is my superable salary?
Your superable salary is your annual (base) salary, plus certain allowances and payments.

Allowances that may be included are those payable within the value of leave paid on termination, such as annual leave and long service leave. Some allowances and payments are specifically excluded – examples include overtime, bonuses, expenses and travelling allowances. Relieving or higher duties allowances are also excluded from your salary, except where the allowance has been paid or is expected to be paid for a continuous period of one year.

Do shift allowances count?
A loading may be added to your superable salary to take account of shift allowances received in a year, provided a minimum number of shifts (105) is deemed to have been worked. The loading is calculated by your employer according to a formula that takes into account the number of hours worked in the shifts.

What about workers compensation payments?
Weekly workers compensation payments are included in the superable salary figure, provided your normal salary figure is not exceeded.

Can salary sacrifice (non-cash) benefits be included?
The value of any approved employment benefits received may also be counted towards your superable salary. These are non-cash benefits, provided to employees through salary-sacrifice arrangements, that have been approved for inclusion in superable salary by the Minister with the concurrence of the NSW Treasurer.

The State Authorities Superannuation Scheme (SASS) is administered by Mercer Administration Services (Australia) Pty Ltd on behalf of the Trustee, SAS Trustee Corporation (STC). SASS is governed by the State Authorities Superannuation Act 1987, the State Authorities Non-contributory Superannuation Act 1987 and the Superannuation Administration Act 1996. The scheme is also subject to Commonwealth superannuation and tax legislation.

STC has published this fact sheet. STC is not licensed to provide financial product advice in relation to SASS.

Reasonable care has been taken in producing the information in this fact sheet and nothing in it is intended to be or should be regarded as personal advice. If there is any inconsistency between the information in this fact sheet and the relevant scheme legislation, the scheme legislation will prevail. In preparing this fact sheet, STC has not taken into account your objectives, financial situation or needs. You should consider your personal circumstances and possibly seek professional advice, before making any decision that affects your future.

To the extent permitted by law, STC, its directors and employees do not warrant the accuracy, reliability or completeness of the information contained in or omitted from this fact sheet.
How does purchased leave affect my superable salary?

If you enter into a Purchased Leave Agreement with your employer, you will have your annual salary adjusted commensurate with the number of leave days purchased. That is, you will have a new purchased leave rate of pay.

For members employed in NSW Public Service Departments or Agencies the salary rates will be based on the following:

- For the purchase of 20 additional days per year (4 weeks), the new salary rate will be 92.3% (48/52) of the ordinary salary rate or pro-rata equivalent.
- For the purchase of 10 additional days per year (2 weeks), the new salary rate will be 96.15% (50/52) of the ordinary salary rate or pro-rata equivalent.

Where a Purchased Leave Agreement is in operation, on your annual review day or at exit your employer will report your purchased leave salary for that year, i.e. the reduced salary, as your superable salary. Your contributions and benefits will therefore be based on the reduced salary.

Where a Purchased Leave Agreement is terminated, your salary is adjusted and the revised salary will be reported by your employer as your superable salary on the next annual review day or at exit. This means that contributions and benefits will then be assessed on the higher salary.

Members may wish to seek financial advice prior to entering into a Purchased Leave Agreement.

Fact Sheets about related topics:

SASS Fact Sheet 5: Retirement Benefit
SASS Fact Sheet 7: Invalidity Benefit
SASS Fact Sheet 8: Death Benefit
SASS Fact Sheet 9: Retrenchment Benefit
SASS Fact Sheet 10: Resignation (withdrawal) Benefit
SASS Fact Sheet 13: Optional Deferred Benefit
STC Fact Sheet 10: Basic Benefit
STC Fact Sheet 20: SANCS Additional Employer Contributions (AEC) Account
More information
If you need more information, please contact us:

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