CPI ADJUSTMENT OF YOUR PENSION

Pensions are adjusted each year in accordance with the percentage movement in the Consumer Price Index (All Groups Index) for Sydney from June quarter to June quarter.

The adjustment is paid from the first pension pay day in October each year. It applies only to the pension component remaining after commutation (exchange of pension for a lump sum).

Where the CPI increases by any amount in a financial year, a SSS pension will be adjusted by the amount of the CPI increase. This includes when the increase is less than 1%.

A SSS pension can also be adjusted in the same manner if the CPI is negative, with pensions adjusted downwards. If the CPI is negative by 1% or more, pensions are adjusted downwards by this amount. However, where a negative CPI is less than 1%, no adjustment is made to the CPI for the relevant year, but the CPI is recorded and applied when the sum of that CPI rate change and any subsequent CPI change result in either a positive or a negative adjustment of 1% or greater.

A negative CPI adjustment has never occurred to date and cannot reduce a pension below the amount that was originally payable (except if a commutation has been made).

Pensions which were paid throughout the whole of the financial year before the October CPI adjustment are varied by the full percentage movement for the 12 months.

Pensions which were paid for less than the whole of the financial year before the October CPI adjustment are adjusted proportionately — according to the number of full quarters they were in payment up to 30 June. This proportionate adjustment is set out below.

- Pensions which began between 2 July and 1 October, inclusive, receive 75% of the full adjustment.
- Pensions which began between 2 October and 1 January, inclusive, receive 50% of the full adjustment.
- Pensions which began between 2 January and 1 April, inclusive, receive 25% of the full adjustment.
- Pensions which began between 2 April and 30 June, inclusive, are not adjusted in next October.

Child pensions receive the full adjustment in October each year regardless of the date they began.

Fact sheets about related topics are:

SSS 12  Child pensions
SSS 14  Exchanging your pension for a lump sum.
The State Superannuation Scheme (SSS) is administered by Mercer Administration Services (Australia) Pty Ltd on behalf of the Trustee, SAS Trustee Corporation (STC). SSS is governed by the Superannuation Act 1916, 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 SSS.

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.

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More information
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