

CPI Adjustment of your pension

An STC pension is a pension paid from the SSS, PSS or SASS super fund. STC 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 STC pension will be adjusted by the amount of the CPI increase.

An STC pension can also be adjusted in the same manner if the CPI is negative, with pensions adjusted downwards. However, where a negative CPI is less than 1.1%, 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 adjustment; or
- a negative adjustment of 1.1% or greater.

It is important to note that a negative CPI adjustment 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.

SSS and SASS child and orphan pensions receive the full adjustment in October each year regardless of the date they began.

PSS Child Pensions:

PSS child pensions are not adjusted by CPI as they are paid at a rate determined under the Workers Compensation Act 1987.

Fact sheets about related topics are:

SSS 12 *Child pensions*

SSS 14 *Exchanging your pension for a lump sum*

SASS 12 *SASS pension your questions answered.*

The SAS Trustee Corporation (STC) is administered by Mercer Administration Services (Australia) Pty Ltd on behalf of the Trustee, SAS Trustee Corporation (STC). STC is governed by the *Superannuation Act 1916*, the *State Authorities Superannuation Act 1987*, the *State Authorities Non-contributory Superannuation Act 1987*, the *Superannuation Administration Act 1996* and the *Police Regulation (Superannuation) Act 1906*. The schemes are 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 STC.

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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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