

## Overview of the State Superannuation Scheme (SSS)

### SSS provides a range of benefits payable on:

- retirement
- invalidity
- death
- resignation
- retrenchment

The following is a brief overview about the features of SSS which will assist you to understand and take advantage of your superannuation. If you have any questions, please contact us. State Super's Customer Service is available to assist you with scheme enquiries.

- The State Superannuation Scheme is a defined benefit scheme, subsidised by your employer. Your benefit on retirement is directly related to your unit entitlement as dictated by your salary on retirement. For more information, see SSS Fact Sheet 2: *Unit entitlement*.
- Once attaining a contribution level of 6% of your salary, the option of abandoning new units becomes available. For more information, see SSS Fact Sheet 3: *Contributions*.
- As of 1 July 2007, compulsory personal contributions can be made as salary-sacrifice contributions (i.e. before-tax contributions). For more information, see SSS Fact Sheet 24: *Salary sacrifice your compulsory personal contributions to SSS* and SSS Fact Sheet 23: *Contribution caps and your total superannuation balance*.
- Normal retirement age is 60 except for female members who elected on joining to retire at age 55 and, as a result, contribute at a higher rate to provide for this earlier retirement. For more information, see SSS Fact Sheets 7a: *Normal retirement benefit* and 7b: *Normal retirement benefit for female members born after 1 July 1960 and who elected to retire at age 55*.
- Early voluntary retirement (EVR) is available to those members with a normal retirement age of 60 at any time from age 55 onwards. A reduced benefit is payable taking into account contributions not paid and the increased potential period of pension payment. For more information, see SSS Fact Sheet 8: *Early voluntary retirement benefit*.
- Benefits paid on retirement may be taken in the form of a pension adjusted annually by changes in the CPI, a lump sum, or a combination of both. For more information, see SSS Fact Sheet 14: *Exchanging your pension for a lump sum*.
- On the death of a contributing member or pensioner, a spouse's benefit is payable to a surviving eligible spouse at the rate of 2/3 of the member's entitlement regardless of whether the member took their retirement benefit as a commuted lump sum or pension. For more information, see SSS Fact Sheets 10 and 11: *Death of a scheme member before/after retirement*.
- In the event of retirement on the grounds of ill-health, a pension benefit is paid with the option of commuting the pension to a lump sum at age 55 (or age 60 if that option is not exercised). For more information, see SSS Fact Sheet 9: *Invalidity retirement benefit*.

The STC schemes are administered by Mercer Administration Services (Australia) Pty Ltd on behalf of the schemes' 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 licenced to provide financial product advice in relation to the STC schemes or to their members.

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.

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- On resignation, a member has the choice of taking a cash withdrawal or preserving their benefit with the scheme. The preserved benefit option provides a greater employer-financed benefit, but not until retirement age. There is no reversionary benefit payable if a member takes a withdrawal lump sum benefit. For more information, see SSS Fact Sheet 15: *Resignation (withdrawal) benefit* and/or SSS Fact Sheet 17: *Optional deferred benefit*.
- A number of options are available in the event of a member being retrenched. A member has the choice of a retrenchment lump sum or pension, a preserved benefit, or early voluntary or normal retirement benefit if over 55. For more information, see SSS Fact Sheet 16: *Retrenchment benefit*.

### Basic benefit and Additional Employer Contribution (AEC) account

In addition to the above benefits provided by SSS, most members are entitled to a benefit called the basic benefit. Certain members are also entitled to the additional employer contribution (AEC) benefit.

The basic benefit is fully paid for by your employer and accrues at the rate of up to 3% of final average salary (or final salary in some circumstances) for each year of service from 1 April 1988.

Not all SSS members will have an AEC account, as it only applies to members whose employment after 30 June 2013 was subject to NSW Public Sector Wages Policy. Eligible members receive an additional employer contribution at the rate of 0.25% of their salary for the 2013–14 financial year, 0.5% for the 2014-15 to 2020-21 financial years, 1% from 1 July 2021, 1.5% from 1 July 2022 and 2% from 1 July 2023. The AEC rate will increase in line with future increases in the SG rate and will be calculated as the SG rate less 9%. Interest is paid on the contributions that accumulate in an AEC account.

Your Basic Benefit and any AEC benefit are generally subject to compulsory preservation until you have reached the Commonwealth 'preservation age' (between 55-60). Earlier payment is available in certain circumstances. For further information see STC Fact Sheet 10: *Basic Benefit* and STC Fact Sheet 20: *SANCS Additional Employer Contributions (AEC) Account*.

### Commonwealth Government contribution accounts

Co-contributions are made by the Commonwealth Government to match personal contributions made into superannuation funds by eligible persons. The Low Income Superannuation Tax Offset (LISTO) is a contributions tax refund for low income earners. If a co-contribution or LISTO has been received in respect of you, the amount is credited to your Commonwealth Government contribution account. The balance of this account is also payable on exit. For more information, see STC Fact Sheet 13: *Information about the Commonwealth Government's superannuation co-contribution and the low income superannuation tax offset*.

### Superannuation guarantee shortfall

Since 1 July 1992, employer-financed benefits have been adjusted where necessary to meet Commonwealth Superannuation Guarantee requirements. If applicable, your benefit amount has been increased to satisfy those requirements. An increase in an employer financed benefit is referred to as a *superannuation guarantee shortfall* amount.

### Benefit reduction for contributions tax

Commonwealth tax at the rate of 15% is payable by the scheme on most employer contributions for service from 1 July 1988. Consequently, most employer-financed benefits accrued from 1 July 1988 are reduced by 15%, except for lump sum death benefits. The benefit amounts shown on the Annual Statement we send you each year are after an adjustment for contributions tax on employer contributions has been deducted.

Salary-sacrifice contributions are treated as employer contributions and, as such, are subject to contributions tax.

Please see STC Fact Sheet 3: *Taxation*, for details of the Commonwealth tax rules affecting superannuation, including:

- the amount of tax payable on superannuation benefit payments at certain ages, and
- the importance of providing your TFN.

Fact sheet STC 3: *Taxation* also describes a tax rule that allows certain lump sum payments that would otherwise be subject to benefits tax to be received tax free by a person who is suffering from a terminal illness that is likely to result in their death within 24 months.

**Fact sheets about related topics:**

SSS Fact Sheet 4: *Part-time employment and part-time leave without pay*

SSS Fact Sheet 6: *Continuity of Scheme Membership*

SSS Fact Sheet 12: *Child pensions*

SSS Fact Sheet 20: *Contributions and benefits up to age 70*

SSS Fact Sheet 22: *Contribution arrears*

STC Fact Sheet 1: *Information about the Commonwealth contributions surcharge*

STC Fact Sheet 3: *Taxation*

STC Fact Sheet 4: *When can I be paid my superannuation benefits?*

STC Fact Sheet 7: *Complaints, Disputes and Appeals*

STC Fact Sheet 9: *Government Information (Public Access) Act & Privacy*

STC Fact Sheet 10: *Basic Benefit*

STC Fact Sheet 11: *CPI Adjustment of your pension*

STC Fact Sheet 13: *Information about the Commonwealth Government's Superannuation Co-contribution and the low income superannuation tax offset*

STC Fact Sheet 16: *Retirement planning*

STC Fact Sheet 20: *SANCS Additional Employer Contributions (AEC) Account*

**More information**

If you need more information, please contact us:

**Telephone:** **1300 130 096** (for the cost of a local call, unless calling from a mobile or pay phone)  
8.30 am to 5.30 pm, Monday to Friday.

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