

Resignation/dismissal benefit and voluntary benefit deferral

Withdrawal benefit

The benefit payable on resignation is a refund of the total amount of your contributions, plus interest payable from 23 November 1984 or the date of your scheme entry if it was after 23 November 1984. On dismissal, interest is only payable from 1 July 1990.

The interest referred to above was fixed by legislation at 4.5% per annum until 30 June 1990. From 1 July 1990, interest is credited at the Fund's investment earning rate as determined by the Trustee. The net interest applied to your personal contribution account for each year is shown on your annual statements.

Deferred benefit

As an alternative to receiving the immediate withdrawal benefit, you may elect to defer your accrued entitlements in the scheme. Because it contains the employer financed component of your accrued benefits, the value of the deferred benefit may be considerably higher than the withdrawal benefit immediately payable. The deferred benefit is calculated as a lump sum as at the date of ceasing employment and this amount is subsequently adjusted in accordance with movements in the Consumer Price Index (All Groups Index) for Sydney, up until the date it is eventually paid.

A deferred benefit is payable at any time after reaching age 55 or in the event of earlier death or total and permanent invalidity.

In the event of your death, the deferred benefit would be payable to your spouse (including de facto spouse) or, if there is no eligible spouse, to your estate.

If you voluntarily defer your entitlements in the scheme, you still retain the option to take the original cash benefit, plus interest, at any time.

Basic Benefit and Additional Employer Contribution (AEC) account

The basic benefit is payable in addition to the PSS benefits detailed above. 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 either final average salary or final salary for each year of service from 1 April 1988 or employment commencement date if later. On resignation or dismissal, the salary figure used to calculate the basic benefit is your final average salary, i.e. the average of your salaries at the date of ceasing employment and at 31 December in each of the two previous years.

Not all PSS 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.

PSS members were not eligible for the AEC benefit from 1 July 2013 to 30 June 2014, as the 0.25% SG rate increase that applied from 1 July 2013 was not taken into account in the Crown Employees (Police Officers - 2011) Award. PSS members, other than members of the Police Executive Service, became eligible on 1 July 2014.

Your Basic Benefit and any AEC benefit are generally subject to compulsory preservation until you have reached the Commonwealth preservation age (between 55-60). See STC Fact Sheet 10: *Basic Benefit* and STC Fact Sheet 20: *SANCS Additional Employer Contributions (AEC) Account* for more information.

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.

To the extent permitted by law, STC, its directors and employees do not warrant the accuracy, reliability or completeness of the information contained or omitted from this fact sheet.

Commonwealth Government contributions

A PSS member may also receive an additional benefit, the balance of their Commonwealth Government Contributions account. This account includes any superannuation co-contributions and Low Income Superannuation Tax Offset (LISTO) amounts that the fund has received on the member's behalf. Further information can be found on STC Fact Sheet 13: *Information about the Commonwealth Government's Superannuation co-contribution and the Low Income Superannuation Tax Offset*.

Members aged 65/70

Once a contributing member reaches age 65 they are entitled to leave the fund without ceasing employment and be paid their retirement pension, or they can commute their pension into a lump sum and either take the lump sum or defer it in the fund.

Once a person reaches age 70, no further contributions can be accepted into the fund and PSS contributor benefits cease to accrue. At age 70 any PSS pension entitlement must commence to be paid, or alternatively it can be commuted into a lump sum and either be paid out to the member or deferred in the fund.

A deferred member who is aged between 65 and 69 can only remain deferred if they continue to be employed for at least 10 hours a week. Once a deferred member reaches age 70 their benefit can only remain deferred if they continue to be employed for at least 30 hours a week.

Superannuation guarantee amount

Employer-financed benefits are subject to the Commonwealth Superannuation Guarantee Minimum Benefit requirements. All benefits are measured against these Minimum Benefit requirements. If the normal scheme benefit calculated, including the basic benefit, is less than the Minimum Benefit, then an additional amount will be payable.

More information

If you need more information, please contact us:

Telephone: 1300 130 097 (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.

Personal interviews: Please phone 1300 130 097 to make an appointment.

Postal address: State Super, GPO Box 2181, Melbourne VIC 3001

Internet: www.statesuper.nsw.gov.au

Email: enquiries@stc.nsw.gov.au

Important tax information

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

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

Fact Sheets about related topics are:

STC Fact Sheet 3: *Taxation*

STC Fact Sheet 5: *Retiring or resigning? What you need to know for payment of your benefit*

STC Fact Sheet 10: *Basic Benefit*

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

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