STATE SUPER
SAS Trustee Corporation

APR 2015

DEFERRED

UPDATE YOUR DETAILS COMPETITION

WIN one of twenty **$50** Coles Myer Gift Cards.

See page 3

SuperViews

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State Super update

The Superannuation Guarantee increase and your SANCS benefit

On 19 December 2014, the NSW Government proclaimed the State Authorities Non-contributory Superannuation Amendment Act 2013 and related Regulations which provide for an additional State Authorities Non-contributory Superannuation (SANCS) benefit of 0.25% p.a. of salary from 1 July 2013, increasing to 0.5% p.a. of salary from 1 July 2014, to relevant employees who are active members* of the State Authorities Superannuation Scheme, Police Superannuation Scheme, and State Superannuation Scheme.

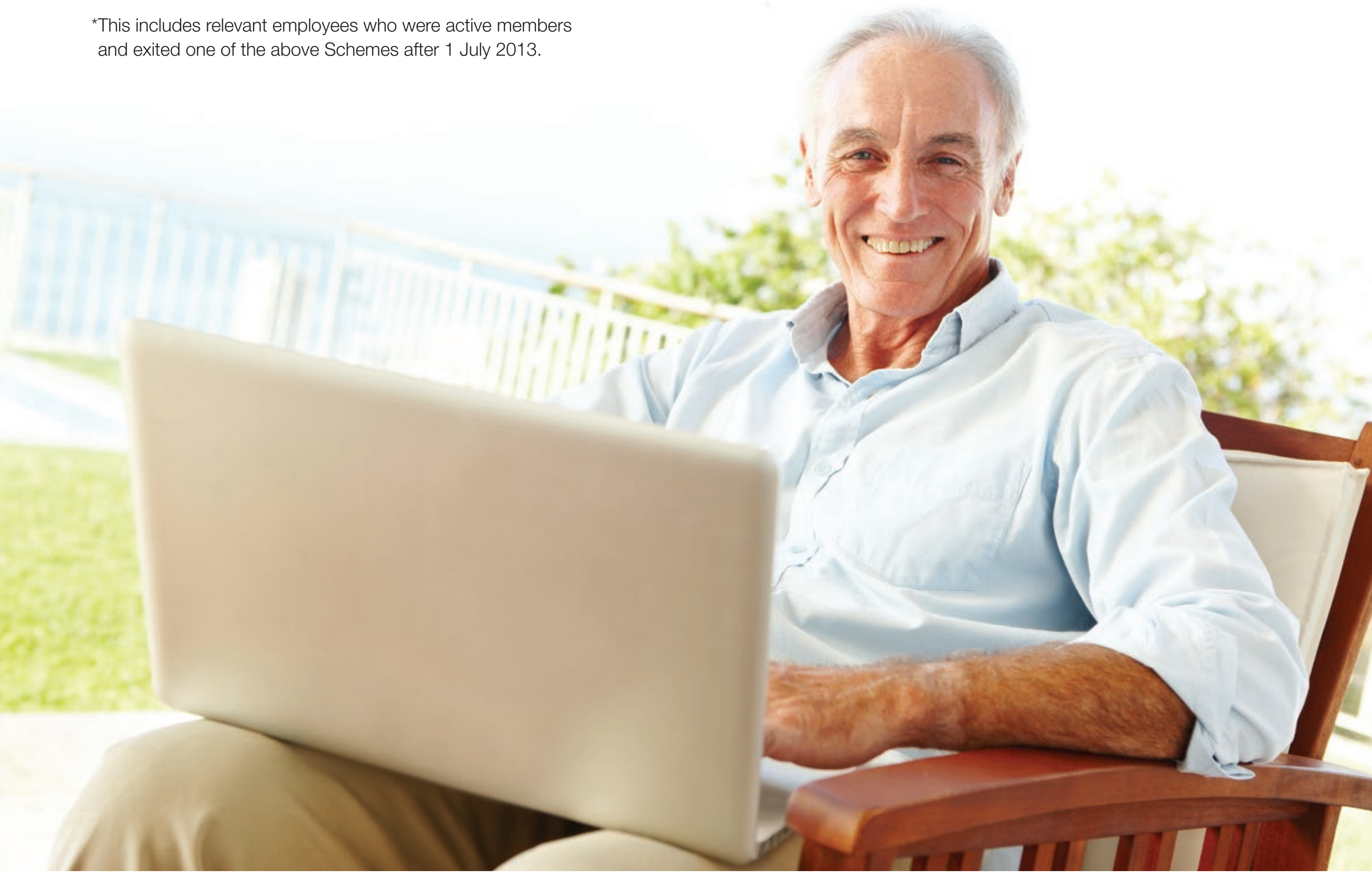
The additional benefit, plus any accrued interest owing due to the late payment of the benefit, will be paid retrospectively to all eligible employees.

> We will continue to keep members informed of progress...

State Super is working with our administrator and the Government to develop and implement the system and process changes required to facilitate the necessary benefit adjustments to the relevant employees' accounts.

We will continue to keep members informed of progress in this matter via the 'Latest News' section of the State Super website at **www.statesuper.nsw.gov.au**.

*This includes relevant employees who were active members and exited one of the above Schemes after 1 July 2013.



UPDATE AND WIN!

Complete the *contact details form* provided and return it to us in the reply paid envelope by 1 June 2015 for your **chance to win one of twenty $50 Gift Cards** for Coles Myer.

The prize draw will take place on 15 June 2015. Winners will be notified by 30 June 2015.

Investment market overview

A modest domestic outlook

The predominant domestic economic issue in the latter half of 2014 was the long expected slide in commodity prices and especially iron ores. China's prolific steel export industry has been impacted by a marked drop in export demand, which in turn has affected Australia's export income. As Australia's largest export commodity, this fall was always expected to flow on to the economy, despite the muting effect of a weaker Australian dollar.

The currency is normally closely linked to such commodity price movements and while there has been some delayed reaction, the Australian Dollar began to weaken in January.

The resource price slumps and low inflation rate is expected to dampen within Australia, at least for the first half of 2015, but strong housing investment, export volume growth and lower interest rates should support the growth outlook.

The outlook for share market growth is modest given recent strong gains around the world. Interest rates have been reduced given the softer inflation and growth outlook and will be sensitive to the level of the dollar and employment conditions.

> ...strong housing investment, export volume growth and lower interest rates should support the growth outlook.

The United States rolls on

The US seems to be poised to build on the encouraging signs of late 2014. The Federal Reserve is upbeat about growth prospects for the economy, despite the continuing instability in Europe and Japan. Lower oil prices are helping to support domestic demand and a shrinking trade deficit should support a moderate growth outlook.

Growth slowing in China

Chinese growth was constrained in 2014 and is expected to be even lower at just below 7% for the year ahead. The managed slowdown of the economy and a reorientation toward consumption and away from the domestic real estate sector market is a positive move, although the subdued growth figure may have some dampening effects on the rest of Asia.

European troubles persist

Europe continues to struggle to emerge from the levels of sovereign indebtedness flowing from the Global Financial Crisis. Despite some tentative signs of recovery in the third quarter of 2014, financial markets were hit by concerns flowing from the lack of monetary stimulus needed to kick start growth.

A persistent mix of low consumer demand, high debt and high unemployment, together with stagnant inflation, interest rates and growth has placed pressure on monetary authorities to progress the quantitative easing program to help stimulate growth.

> ...positive global growth should help to support market performance.

What does it all mean for investors in 2015?

The subdued economic outlook across the globe and the specific export related drag on growth in Australia means the year ahead will see a more challenging investment environment with potential for greater volatility. There will be sensitivity to the possibility of an interest rate rise in the US and how this will impact extended valuation levels across many markets. In the shorter term, continued 'stimulatory' monetary policy and moderately positive global growth should help to support market performance.

When can you access your retirement benefit?

The difference between your Commonwealth preservation age and your State Super scheme's earliest retirement age.

Commonwealth preservation age. The age you must reach before you can be paid the preserved part of your superannuation benefit. It is determined by the Commonwealth Government and depends on when you were born.

Scheme earliest retirement age. The age at which you are entitled to withdraw your State Super retirement benefit as determined by the scheme rules and legislation. Your scheme earliest retirement age is shown on your annual statement and will be either 55 or 58 years of age.

More information

Go to **www.statesuper.nsw.gov.au/sass** and download a copy of STC Fact Sheet 4: *When can I be paid my superannuation benefits?*

Contact **Customer Service** on **1300 130 094**.

Date of birth	Preservation age	Your preservation age reached
Before 1 July 1960	55 years	30 June 2015 or earlier
Between 1 July 1960 and 30 June 1961	56 years	Between 1 July 2016 and 30 June 2017
Between 1 July 1961 and 30 June 1962	57 years	Between 1 July 2018 and 30 June 2019
Between 1 July 1962 and 30 June 1963	58 years	Between1 July 2020 and 30 June 2021
Between 1 July 1963 and 30 June 1964	59 years	Between 1 July 2022 and 30 June 2023
After 30 June 1964	60 years	1 July 2024 or later

Ask an expert:

Q. My scheme earliest retirement age is 58 but my Commonwealth preservation age is 60, what does this mean and when can I access my retirement benefit?

A. The SASS retirement age was established under the Scheme rules and legislation. What this means is that even if you have reached your SASS 'retirement' age of 58, you may not be able to withdraw all of your SASS benefit until you meet a Commonwealth condition of release.

However, regardless of your age, you are able to access any benefits that were classified as restricted non-preserved (generally a smaller portion of your benefit). when you ceased being a contributory member of SASS. If you take the non-preserved part of your benefit and you have not met a condition of release, the preserved portion will need to be rolled over into another complying superannuation fund.

The Ask an expert column is provided by State Super Financial Services. For more information, call **1800 620 305** or visit **www.ssfs.com.au**.

How much is enough?

Will you have enough money to live the retirement lifestyle you want?

Most of us think of retirement as the time we finally get to do 'everything we've always wanted'. Many people get more involved in their communities, while others spend more time with family and of course, a lot of us travel. Regardless of the activities we engage in, or when we retire, the main concern for most is how to make our retirement savings last so that life after retirement continues to be a smooth ride without the burden of financial worry.

To help you create and maintain the retirement lifestyle you want, it's important to consider…

1 How much will it cost to maintain your desired lifestyle in retirement?

According to the latest ASFA Retirement Standard[1] Survey, a couple who hopes to live comfortably in retirement would need an income of just over $58,300 a year and a single person will require a little over $42,600. And that assumes you own your own home.

A 'comfortable' retirement lifestyle is defined in the survey as being able to get involved in a broad range of retirement activities and maintain a good standard of living through the purchase of household goods, health insurance, a reasonable car and holiday travel etc.

2 What sources of income are available in retirement?

For many people, super is the main source of funds when they retire. While this can be an important source of income it doesn't have to be the only one. Your retirement income can be made up from a combination of sources.

SOURCES OF INCOME

Your super – can be used to commence an account-based pension. A few things you need to consider when establishing an account-based pension are:

- how much you will withdraw as a lump sum,
- how much you will draw down regularly (your pension), and
- how your account balance will be invested.

The Age Pension, or social security – the current Age Pension age is 65, however it is increasing to age 67 with a proposal for it to increase further to age 70 over time.

The Age Pension can help to supplement your account-based pension and act as a safety net. To qualify you must meet the age requirements and satisfy means tests (based on your level of income and assets) which determine the amount of pension you are entitled to. There are also different rates of Age Pension depending on whether you are single or part of a couple. Even if you're only entitled to $1 of the Age Pension, the additional benefits, such as discounts on medicines as well as concessions on utilities and public transport, can supplement your income by reducing your expenses.

Other income sources – may include investment earnings outside your super, home equity release, an inheritance or part-time work.

3 Make sure you're invested appropriately

Younger investors generally have more tolerance for a higher percentage of their investment portfolio being allocated to growth assets that have higher volatility associated with them because of the potential they provide for maximising returns. On the other hand, people preparing for retirement generally prefer to invest in less volatile assets

[1] **The ASFA (Association of Superannuation Funds of Australia) Retirement Standard** benchmarks the annual budget needed by Australians to fund either a comfortable or modest standard of living in the post-work years. It is updated quarterly to reflect inflation, and provides detailed budgets of what singles and couples would need to spend to support their chosen lifestyle. ASFA Retirement Standard figures are as at December 2014.

in order to protect their portfolio. At this stage in an investor's life, price fluctuations and returns matter a lot more, because individuals must meet their lifestyle expenses from their investments, which may require drawing down on their capital base. Any investment losses that occur reduce the size of their portfolio.

State Super Financial Services (SSFS) specialises in managing money for retirement, which is very different from investing during your working life. The aim is to generate a 'real' return, with a focus on the security of income in retirement. This also takes into account the negative effect inflation has on buying power. Inflation is still one of the key reasons people run out of money in retirement, so keeping some growth assets in your portfolio may help to protect against this.

All investments carry a degree of risk. What's most important is that you understand how your money is invested and can live with the associated risks. It's best to speak with your financial planner to address your retirement needs.

4 Good advice can make all the difference

Five years before and after retirement is a time when sound financial advice can make a big difference to how much you will have to spend after you retire. Poor financial decisions during this period can have far-reaching consequences. For older investors, there may not be sufficient time to 'recover' losses as they are in the draw down rather than accumulation phase of their superannuation life cycle.

A financial planner can help tailor your financial strategy to balance your lifestyle needs with your income availability. Everyone's needs are different, so seeking professional financial advice as early as possible is crucial.

Need advice?

State Super Financial Services provides a wide range of financial planning advice to current and former public sector employees and their families.

To book an obligation free appointment, call **1800 620 305** or visit **www.ssfs.com.au**.

For more information on the relationship between the SAS Trustee Corporation (STC) and State Super Financial Services, please refer to the end of this newsletter.

What's **new?** Member Services update

Changes to your annual statements

At State Super we strive to constantly improve communications to our members. This year one of our main improvement projects is to reengineer the design and content of the annual statements, to make them easier to follow, understand and to highlight the important information to our members.

We anticipate that the new look statement will be launched in time for your 2014-15 statement.


STATE SUPER
SAS Trustee Corporation
SASS
your **Super** statement

Member Name: <Title> <First Name> <Surname>

Member Number: <12345678

<Mr John Smith>
<Address 1>
<Address 2>
<SUBURB> <STATE> <PCODE>

your **benefit summary**

Balance At 30 June 2015

$xxxxxx Account balance

$xxxxxx Immediate withdrawal benefit

$xxxxxx Deferred benefit

$xxxxxx Retirement benefit at age 58

This is a summary of your benefits at 30 June 2015 and a projection of your retirement benefit. Refer to the retirement and alternative benefit sections of this statement for full details.

Changed your details?

Have you recently changed your contact details? If so, you can update your details by going to the **secure** member area of the State Super website at **www.statesuper.nsw.gov.au/sass,** complete and return the update your contact details section of the enclosed form or contact Customer Service.

This is a statement of your benefit entitlements in the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-contributory Superannuation Scheme (SANCS). You should read your statement with the enclosed explanatory notes and literature. If you do not understand some of the information on your statement or think there may be an error, please contact Customer Service on **1300 130 095** between 8:30am and 5:30 pm, Monday to Friday.

your **benefit points**

At 30 June 2015

Contributed points	<value>
Maximum points	<value>
Accrued points	<value>

pts

Have you registered for online access?

Keep track of your State Super benefits online via the secure member login area.

The secure member login area provides you with your own personal login and password, which means you're the only one who can access your information.

Registering for online access enables you to:

- update your contact details
- view and download your last annual statement
- access an online benefit quote
- view and update your investment strategy.

To register for online access, simply go to **www.statesuper.nsw.gov.au/sass** and click on the Member Login link for your scheme and complete the new user registration details.

Contact us

Phone
1300 130 094

Website
www.statesuper.nsw.gov.au

Mail
State Super, PO Box 1229
Wollongong NSW 2500

Email
enquiries@stc.nsw.gov.au

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