



**STATE SUPER**  
SAS Trustee Corporation

# SASS Employer Easy Reference Guide

Date of issue: January 2025

## Table of contents

<b>1</b>	<b>Introduction and scheme overview</b>	<b>5</b>
1.1	Introduction	5
1.2	Scheme overview	5
<b>2</b>	<b>Glossary</b>	<b>6</b>
<b>3</b>	<b>Employer contact</b>	<b>10</b>
3.1	How to contact us	10
3.2	Where to find the employer website	10
3.3	Using the employer website	10
3.4	How to stay informed in regard to SASS	11
3.5	SASS fact sheets	12
3.6	Where to get more general information	14
<b>4</b>	<b>Employer's responsibilities</b>	<b>15</b>
4.1	Legislative requirements	15
4.2	Assisting your employees	15
4.3	Employee forms	16
<b>5</b>	<b>Superannuation salary and annual salary review</b>	<b>18</b>
5.1	Superannuation salary	18
5.2	Annual salary review	18
5.3	Public Service Senior Executives and Police Service Executives salary	18
5.4	Salary reduction (including retention of higher salary)	19
5.5	Salary reduction for members aged 55 and over (crystallisation)	19
<b>6</b>	<b>Contributions</b>	<b>20</b>
6.1	Employee contributions	20
6.2	Salary sacrifice	21
6.3	Late applications to increase a contribution rate	22
6.4	Financial hardship contribution rate	22
6.5	Employer contributions	22
6.6	Optional employee contributions to another complying superannuation fund	24
6.7	Leave without pay	25
6.8	Part-time employment	26
6.9	Casual employment	27
6.10	Higher duty arrangements	27
6.11	Temporary appointments	28
6.12	Shift work	28
6.13	Purchased leave	30
6.14	Secondment	30
6.15	Members aged 65 to 70	30

<b>7</b>	<b>Benefits</b>	<b>31</b>
7.1	Contributor-financed benefit	31
7.2	Employer-financed benefit	31
7.3	Basic benefit	32
7.4	SANCS Additional Employer Contribution (AEC) Benefit	32
7.5	Commonwealth Government co-contributions and the low-income earners superannuation tax offset	33
7.6	Additional benefit	33
7.7	Deferred benefit	33
7.8	Claiming a previously deferred benefit	34
7.9	Compulsory benefit preservation	34
7.10	Partial payment of superannuation entitlement	35
<b>8</b>	<b>Ceasing to be a member of SASS</b>	<b>36</b>
8.1	Employment transfer and continuity	36
8.1.1	Transfers	36
8.1.2	Continuity	36
8.1.3	Mobility provisions with local government and energy industry schemes	36
8.2	Withdrawal, resignation or dismissal	37
8.3	Retirement	37
8.4	Retrenchment	37
8.5	Invalidity	37
8.6	Death	38
8.7	Members aged 70	39
8.8	List of employer forms	39
8.9	Completing the exit advice form	40
<b>9</b>	<b>Commonwealth taxation</b>	<b>41</b>
9.1	Employer contributions tax	41
9.2	Tax of benefits	41
9.3	Contributions surcharge tax	42
9.4	Division 293 tax	42
<b>10</b>	<b>Tax file numbers</b>	<b>44</b>
10.1	Tax file number collection	44
10.2	No TFN contributions tax	44

<b>11</b>	<b>Methods of payment and contribution remittance</b>	<b>45</b>
11.1	The self-assessing system	45
11.1.1	The convar files	45
11.1.2	Rejected files	46
11.1.3	The employer advice file	46
11.1.4	Employer reconciliation report	46
11.1.5	File formats and error messages	47
11.1.6	Convar file format	48
11.1.7	File reject report format	54
11.1.8	Employer reconciliation report format	57
11.1.9	Example of errors on an employer reconciliation report	58
<b>12</b>	<b>Employer reserve accounts and oncosts</b>	<b>60</b>
12.1	Employer reserve accounts	60
12.2	Employer merge	63
12.3	Employer oncost	63
12.3.1	Employer on-cost percentage	64
<b>13</b>	<b>Member seminars</b>	<b>65</b>

Reasonable care has been taken in producing the information in this Guide, which gives a general interpretation of the provisions of the State Authorities Superannuation Scheme (SASS). SASS is governed by the *State Authorities Superannuation Act 1987* (NSW) and the *Superannuation Administration Act 1996* (NSW). SASS is also subject to Commonwealth superannuation and tax legislation and may be affected by the *State Authorities Non-contributory Superannuation Act 1987* (NSW) and other NSW laws. If there is any inconsistency between information in this Guide and a relevant Act, the relevant Act will prevail to the extent of any inconsistency.

Please note that SAS Trustee Corporation is not licensed to provide financial product advice in relation to the State Super defined benefit schemes.

None of the SAS Trustee Corporation, its Board members or employees warrants the accuracy, reliability or completeness of information in this Guide and, to the extent permitted by law, all of them exclude liability for any decision taken on the basis of information shown in or omitted from this Guide. Nothing in the Guide is to be regarded as personal advice. In preparing this Guide, STC has not taken into account the objectives, financial situation or needs of any employer or member. Employers and members should seek professional advice before making decisions relying on any of the information contained within this Guide which may affect their future.

# 1 INTRODUCTION AND SCHEME OVERVIEW

## 1.1 Introduction

This Employer Easy Reference Guide is designed to help you, as an employer, respond to the requirements imposed by superannuation legislation.

As superannuation is a complex area, our aim is to simplify the administration process and give answers to frequently asked questions. This Guide does not cover all legal requirements or situations that may arise for employers or employees in relation to superannuation.

More information about scheme benefits, rules and other superannuation issues for employers and members is provided in our fact sheets. These fact sheets are available at [www.statesuper.nsw.gov.au](http://www.statesuper.nsw.gov.au) or from a Mercer Employer Relationship Officer.

## 1.2 Scheme overview

The SAS Trustee Corporation (STC) is the Trustee of the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-contributory Superannuation Scheme (SANCS). Mercer Administration Services (Mercer) is the administrator of SASS and SANCS.

SASS was established by the NSW Government on 1 April 1988. New employees in the NSW public sector were eligible to join the scheme and members of the existing Public Authorities Superannuation Scheme (PASS) were transferred to SASS.

Between 1989 and 1992, other public sector superannuation schemes were closed and the members were transferred to SASS. These included the State Public Service Superannuation Fund, the Transport Gratuity Scheme and the Government Railways Superannuation Fund.

SASS is a service-related scheme. It provides benefits based on the service given to the employer in monthly units (benefit points). SASS is also a split-benefit scheme, which means it is made up of an accumulation-style contributor financed benefit, and a defined benefit-style employer-financed benefit.

Employees can elect to contribute between 1% and 9% of their superable salary to SASS and can vary their contribution rate each year. Generally, each percentage of salary that a member contributes each year buys the member one benefit point, which is used in the calculation of the employer-financed benefit.

Members of SASS also receive a 3% non-contributory defined superannuation benefit (known as the basic benefit) for all service since 1 April 1988. Some members are also entitled to receive an Additional Employer Contribution (AEC) benefit, which is an accumulation-style superannuation benefit made up of employer contributions that have been payable since 1 July 2013, plus investment earnings.

SASS was closed to new members on 18 December 1992. All new employees from that time were automatically made members of Aware Super (previously called First State Super). From 1 July 2005, new employees have been entitled to nominate the superannuation fund of their choice as a result of the choice of fund rules which commenced on that date. From 1 November 2021, all employers are required by law to use stapling for all new employees who don't choose a super fund.

## 2 GLOSSARY

Terminology	Definition
<b>Act</b>	The State Authorities Superannuation Scheme’s governing statute, the <i>State Authorities Superannuation Act 1987</i> .
<b>Additional benefit</b>	The additional benefit is payable to a member who has additional benefit cover on exit from the scheme due to total and permanent invalidity or death prior to the early retirement age.
<b>Additional benefit levy</b>	The amount deducted from a contributor’s account for additional benefit cover. The levy is payable by the insured member up to retirement age.
<b>Additional Employer Contributions (AEC)</b>	<p>The monthly contribution a relevant employer must pay to STC for each employee for each month, or part of a month, for which the employee is a relevant employee.</p> <p>The rate is equivalent to a percentage of each eligible employee’s salary as follows:</p> <p>1 July 2013 – 30 June 2014 ..... 0.25%</p> <p>1 July 2014 – 30 June 2021 ..... 0.5%</p> <p>1 July 2021 – 30 June 2022 ..... 1.0%</p> <p>1 July 2022 – 30 June 2023 ..... SG charge minus 9% (i.e. 1.5%)</p> <p>1 July 2023 – 30 June 2024 ..... SG charge minus 9% (i.e. 2.0%)</p> <p>1 July 2024 – 30 June 2025 ..... SG charge minus 9% (i.e. 2.5%)</p> <p>1 July 2025 onward ..... SG charge minus 9%.</p>
<b>Additional Employer Contributions (AEC) Benefit</b>	The balance of the AEC account when a member exits the fund.
<b>Additional Employer Contributions (AEC) Account</b>	An account that each monthly AEC contribution is allocated to. Each relevant member has an AEC account.
<b>Annual Statement</b>	The Annual Statement issued to members showing their accrued benefit entitlements in SASS, generally issued around October each year.
<b>Annual pre-list</b>	The administrator sends this list to employers in March each year to inform them of the SASS contribution rates that must be deducted from employees’ salaries from 1 April.
<b>Attributed salary</b>	<p>Attributed salary means:</p> <ul style="list-style-type: none"> <li>• for a full-time employee, their salary</li> <li>• for a part-time employee, the equivalent full-time salary for the employee’s position.</li> </ul>
<b>Aware Super</b>	Previously known as First State Super, this is the superannuation scheme established by the NSW Government to cover all new public sector employees from 18 December 1992, and also those employees who were non-contributory members of SASS. Aware Super accepts employer Superannuation Guarantee contributions required to be made under Commonwealth legislation.

Terminology	Definition
<b>Basic benefit</b>	Productivity-type superannuation benefits accrued by SASS members in addition to their contributory scheme benefits. Calculated at 3% of final average salary or final salary, depending on the mode of exit and age, for each year of service from 1 April 1988. It is fully employer financed.
<b>Contributor</b>	An employee who contributes to SASS.
<b>Contributor-financed benefit</b>	The part of a benefit financed by employee contributions and investment earnings.
<b>Contribution rate</b>	The rate varies between 1% and 9% of the employee's superable salary, depending on the employee's nominated contribution rate.
<b>Defined benefit</b>	Benefit based on a member's final or final average salary upon exit from employment. The formula for calculating a defined benefit may (as in the case of SASS) also take into account the member's length of membership and level of contributions made.
<b>Deferral of a benefit</b>	<p>When a member exits the scheme, they may choose to defer their SASS benefit and are generally required to defer their basic benefit.</p> <p>Deferring a benefit allows the member to receive a lump-sum benefit payable at or after preservation age (if permanently retired from the workforce), from age 60 if they have ceased an employment arrangement, on total and permanent invalidity, or on death (payable to a surviving spouse or partner).</p>
<b>SASS early retirement age</b>	The age at which retirement benefits are payable (generally 58 years). Some employees have their retirement age at 55. Members should refer to their annual statement to obtain this age.
<b>E-Business</b>	A method for employers to send and receive data securely and efficiently via the Mercer website.
<b>Employer code</b>	The code issued by Mercer to identify individual employers. The employer code should be used on all returns, forms and correspondence with Mercer.
<b>Employer-financed benefit</b>	The part of a benefit that is financed by employer contributions.
<b>Entry date</b>	The date that the employee's election to contribute to SASS took effect.
<b>Exit date</b>	This will generally be the date that the employee ceases employment with an employer. The exception will be where an employee reaches age 65 or older and wishes to access their scheme benefits and continue to work – the exit date in this scenario will be the date nominated by the employee. Also while an employee may choose to continue working after reaching age 70, their contributory membership of SASS must cease when they attain that age – the exit date in this scenario will be the date the employee turns 70 years of age.
<b>Final salary</b>	The amount of annual superable salary payable to an employee on their exit date.

Terminology	Definition
<b>Final average salary</b>	The average of the annual superable salaries paid to an employee on their exit date and on 31 December for the preceding two years.
<b>LWOP</b>	Leave without pay.
<b>Member number</b>	Each member has a superannuation number which is unique and does not change for their period of continuous membership with SASS or the basic benefit scheme.
<b>Mercer</b>	Mercer Administration Services, the contracted scheme administrator for SASS.
<b>Public Service Senior Executive Bands</b>	Public Service Senior Executives are remunerated in accordance with bands provided for under section 37(1) of the <i>Government Sector Employment Act 2013</i> .
<b>Retrenchment</b>	Where a member's service with an employer is compulsorily terminated, or the member accepts an offer of retrenchment, on the grounds that: <ul style="list-style-type: none"> <li><b>a)</b> the employer no longer requires the member's services and, on termination of that service, does not propose to fill the member's position, or</li> <li><b>b)</b> the work that the member was engaged to perform is completed, or</li> <li><b>c)</b> the amount of work that the employer requires to be performed has diminished and it is necessary for the employer to reduce the total number of employees.</li> </ul>
<b>Salary</b>	For SASS purposes, the annual base amount paid to an employee, including or excluding amounts or certain allowances as specified in the Act.
<b>Salary sacrifice</b>	The contribution deducted from an employee's salary prior to income tax deduction. This type of contribution is categorised as a concessional contribution.
<b>Salary ratio</b>	The ratio of the part-time salary to the full-time salary (i.e. part-time salary divided by full-time salary). Hence the salary ratio for full-time employees is 1 and the salary ratio for part-time employees is less than 1.
<b>SANCS</b>	The State Authorities Non-contributory Superannuation Scheme, which pays a benefit in addition to the SASS benefit. This benefit includes the Basic Benefit and any Additional Employer Contributions (AEC) Benefit, Commonwealth Government co-contributions, or Low Income Superannuation Tax Offset (LISTO).
<b>SES employees</b>	SES employees have now become Public Service Senior Executives, who are employed in Public Service Senior Executive bands. These bands also apply to Police Service Executives, Health Service Executives and Transport Service Executives.
<b>Shortfall benefit</b>	See Superannuation Guarantee benefits.

Terminology	Definition
<b>Spouse/partner</b>	<p>The 'spouse' of a person includes:</p> <ul style="list-style-type: none"> <li>● another person (whether of the same or a different gender) who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple;</li> <li>● another person (whether of the same or a different gender) with whom the person is in a relationship that has been registered under a state or territory law dealing with the registration of certain prescribed relationships.</li> </ul>
<b>State Superannuation Scheme (SSS)</b>	<p>The State Superannuation Scheme is another scheme administered by Mercer on behalf of the STC. It closed to new members on 30 June 1985. A SSS Employer Easy Reference Guide is available at <a href="http://www.statesuper.nsw.gov.au">www.statesuper.nsw.gov.au</a>.</p>
<b>STC</b>	<p>The SAS Trustee Corporation (the Scheme Trustee) as constituted by the <i>Superannuation Administration Act 1996</i>.</p>
<b>Superannuation Guarantee benefits</b>	<p>Since 1 July 1992, members' employer-financed benefits have been automatically increased where necessary, to meet Commonwealth Superannuation Guarantee requirements. This is to ensure that the member is provided with the required minimum employer-financed benefits.</p> <p>If the normal scheme benefit (including SANCS benefit and AEC account balance) is less than the minimum benefit, then an additional amount is payable - called the Superannuation Guarantee Shortfall.</p>

## 3 EMPLOYER CONTACT

STC is the Trustee of SASS and SANCS. Mercer is the administrator of SASS and SANCS.

### 3.1 How to contact us

There is an Employer Relationship Officer at Mercer available to assist you.

Enquiries to Mercer's Employer Help Line

**Phone:** 1300 142 708

**Email:** STC\_Employer@mercer.com

### 3.2 Where to find the employer website

Mercer has a dedicated website for SASS employers: <https://services.pillar.com.au/StateEmployers/Login.aspx>

It provides a guide for employers to log in to a secure area to submit contribution returns and perform other administration tasks online.

### 3.3 Using the employer website

The following functions are available on the employer website.

#### **File Send**

Use this function to send your annual salary updates or your self-assessing contribution files.

#### **Data Entry**

There are several functions available under the Data Entry tab.

##### ESA – Advice of member ceasing employment

Use this function to notify Mercer of any employees who have ceased employment with you or employees aged between 65 and 70 who are still working but wish to be paid their benefit.

##### SAL – Annual list of salaries

Use this function to submit to Mercer the annual list of salaries that is due in December each year. If you have used this function before you will be able to retrieve the last file you sent, or you can opt to start with a blank form.

##### SAS – Self-assessment

This function allows you to complete a contribution return for contributions deducted from your employees' salaries using an online form.

##### CIHW – Change in hours worked

This function allows you to notify Mercer when an employee changes employment status from full-time to part-time, part-time to full-time, or from one level of part-time employment to another.

#### LWP – Members taking full-time ordinary LWOP

This function allows you to notify Mercer of any members taking full-time ordinary LWOP for more than five continuous days.

#### AEC – Members with change in AEC status

This function allows you to notify Mercer of any members that move within your agency to positions that make them either eligible or ineligible to receive AEC contributions.

#### TRF – Transfers within the public sector

This function allows you to notify Mercer when an employee transfers to another employer within the public sector.

### **File Download**

This area contains files such as the Annual Salary List and Employer Reconciliation Reports.

### **File Status**

This area contains a list of the files you have previously sent to Mercer. You can download the files in two formats: CSV to use in financial software, or HTML if you are printing a hard copy.

### **Member Administration**

In this area you can view the details held by Mercer regarding your employees, including member number, name, date of birth, address and whether a valid tax file number is held.

### **Tools**

This area provides details of the required formats for sending files via the employer website.

### **Guides**

In this area you will find links to the SSS, SASS and PSS Employer Reference Guides.

### **Change Password**

This function allows you to change your password. We recommend that you change your password regularly.

## **3.4 How to stay informed in regard to SASS**

There are a number of publications available to help employers and members understand more about SASS and superannuation issues, including the:

- SuperViews Newsletter
- Annual Report to Members (previously Annual Report Highlights)
- Annual Report to Parliament
- Pension Newsletter.

When employers are affected by legislative or other changes to SASS and SANCS rules, a Mercer Employer Relationship Officer will update you with information from the Trustee.

### 3.5 SASS fact sheets

The following fact sheets provide detailed information about the benefits available from SASS.

#### Fact sheet

1. SASS Overview
2. Contributions
3. Benefit points system
4. Optional additional benefit cover
5. Retirement benefit
6. Salary for superannuation purposes
7. Invalidity retirement benefit
8. Death benefit
9. Retrenchment benefit
10. Resignation (withdrawal) benefit
11. Purchased leave
12. SASS pension: your questions answered
13. Optional deferred benefit
15. Choosing an investment strategy
16. Contribution caps and your total superannuation balance
17. Salary sacrifice your compulsory personal contributions to SASS

The following fact sheets provide detailed information about State Super in general.

### Fact sheet

1. Information about the Commonwealth contributions surcharge
2. Early release of superannuation benefit on grounds of severe financial hardship
3. Taxation
4. When can I be paid my superannuation benefits?
5. Retiring or resigning? What you need to know for payment of your benefit
6. Early release of a superannuation benefit on compassionate grounds
7. Complaints, disputes and appeals
8. Calculation of Superable Salary and Oncost Liability and Membership Options for Public Service Senior Executives and Police Service Executives
9. Government Information (Public Access) Act & Privacy
10. Basic benefit
13. Information about the Commonwealth Government's superannuation co-contributions and the low income superannuation tax offset
14. Crystallising your benefit after age 55
16. Planning for your retirement
20. SANCS Additional Employer Contributions (AEC) Account

### 3.6 Where to get more general information

For more information visit [www.statesuper.nsw.gov.au](http://www.statesuper.nsw.gov.au)

There is also a dedicated employer area where you will find:

- an email link to a Mercer Employer Relationship Officer
- a link to the Mercer Employer Services page, where you can transfer and download employee data
- publications and recent communications to employers
- employer and member forms and fact sheets for you to print.

## 4 EMPLOYER'S RESPONSIBILITIES

### 4.1 Legislative requirements

As an employer, your responsibilities include complying with relevant superannuation legislation. These responsibilities include:

- reconciling SASS employee payroll deductions against the contribution return file
- for self-assessing employers, forwarding a Convar file in the correct format on time and sending payment for the sum reported on the reconciliation report
- for all employers who are invoiced for a monthly AEC contribution, paying those contributions as invoiced and on time
- providing timely advice of changes in employee details, including changes in hours worked and details of changing jobs within the NSW public sector
- for all employers who have employees that are eligible for AEC contributions, providing timely advice of any employees that move within your agency to positions that make them either eligible or ineligible to receive AEC contributions
- providing an employee's tax file number to Mercer when authorised to do so by the member
- completing the annual review day (31 December) process
- providing complete and accurate details regarding employees who have terminated employment for any reason, or who have reached age 70
- providing complete and accurate details when an employee requests payment or deferral of a SASS benefit
- providing complete and accurate details when an employee dies
- paying optional member personal contributions to a nominated complying superannuation scheme.

**Note:** This is not a complete list of every responsibility an employer has in relation to superannuation; it only summarises the main requirements.

### 4.2 Assisting your employees

Your employees may have questions regarding their entitlements, obligations and any implications of changes in their working situation or lifestyle. The forms listed in this section will help you to assist your employees in preparing a claim for their superannuation benefit.

## 4.3 Employee forms

SASS/STC forms	Use
<b>SASS 405</b> Application for payment of a benefit upon the death of a SASS member	To be completed by the spouse, de facto partner or legal personal representative to claim payment of a benefit.
<b>SASS 407</b> Application for payment of a spouse or de facto partner pension benefit upon the death of a SASS pension member	To be completed by a spouse or de facto partner who has been informed in writing by Mercer of their entitlement to payment of a reversionary pension benefit following the death of a SASS pension member.
<b>SASS 409</b> Choice of investment strategy	To be completed by members wishing to make an investment election on their current or deferred SASS account.
<b>SASS 410</b> Application for deferral of a SASS benefit	To be completed by members deferring their benefit.
<b>SASS 412</b> Application for payment of a SASS benefit	To be completed by members claiming payment of their benefit.
<b>SASS 415</b> Application for payment of a previously deferred SASS benefit	To be completed by members claiming payment of a previously deferred benefit, including the cash benefit (immediate lump sum). Refer to <i>Claiming a previously deferred benefit (part 7.8)</i> for more information.
<b>SASS 431</b> Application for additional benefit cover	To be completed by members applying for additional benefit cover. The member also needs to complete SASS Form 433.
<b>SASS 433</b> Confidential personal statement	To be completed by a member and their doctor when applying for additional benefit cover, along with SASS Form 431.
<b>SASS</b> Contribution rate election	To be completed by members wishing to vary their rate of contribution.
<b>STC 204</b> Tax file number collection	To be completed by members providing their tax file number to the scheme.
<b>STC 207</b> Change of personal and banking details	To be completed by members updating their personal details.
<b>STC 224</b> Application for early release of a benefit on the grounds of severe financial hardship	To be completed by members claiming part payment of their benefit on the grounds of financial hardship.
<b>STC 225</b> Application for early release of a benefit on compassionate grounds	To be completed by members claiming part payment of their benefit on compassionate grounds.

SASS/STC forms	Use
<b>STC 226</b> Certificate of enrolment in full-time study	To be completed by anyone applying for the payment of pension benefits for a full-time student aged between 16 and 25.
<b>STC 227</b> Certificate of incapacity	To be completed by two medical practitioners if a member exits on the grounds of incapacity.
<b>STC 228</b> Confidential medical report on incapacity	To be completed by the member and their medical practitioner, as part of an application for payment on the grounds of incapacity.
<b>STC 235</b> Public Service Senior Executives and Police Service Executives - Your Choice about your Existing Accrued Contributory Benefit and Basic Benefit	To be completed by Public Service Senior Executives or Police Service Executives advising what they want to do with accrued benefits from SASS.
<b>STC 238</b> Continuity of scheme membership	To be completed by members leaving their present employment and commencing a new job with another SASS employer within three months.
<b>STC 240</b> Election to crystallise your benefits	To be completed by members applying to crystallise their benefit if they are aged 55 or more and their salary has decreased by 20%.

## 5 SUPERANNUATION SALARY AND ANNUAL SALARY REVIEW

### 5.1 Superannuation salary

An employee's superannuation salary, or superable salary, is the salary that employee contributions are calculated on and is often different to their award or contract salary.

The superannuation salary should include allowances that are generally paid to an employee while they are on annual leave or long service leave, plus loading for shift work, but does not include overtime. The value of any approved employment benefits should also be included. These are non-cash benefits provided to employees (except Executive staff) through flexible salary sacrifice packaging arrangements approved for inclusion in superannuation salary by the Minister, with the concurrence of the Treasurer.

Superannuation salary is defined in the *State Authorities Superannuation Act 1987* and shift work loadings are determined in accordance with the *State Authorities Superannuation Regulation 2020*. See [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au) or for more information refer to SASS Fact Sheet 6: *Salary for superannuation purposes*.

### 5.2 Annual salary review

Superannuation salaries are reviewed every year, based on the salary paid to an employee as at 31 December.

To commence the review process, in early December each year Mercer provides employers with a detailed list of all their SASS contributors via the State Super website. The list, which details employee superannuation salaries calculated as at 31 December, needs to be updated and returned to Mercer via the website by 31 January each year.

The employer is also required to report the superable salary payable to a member on the last day of their employment. Any retrospective salary increase paid after a member's exit must also be reported so that the member's benefit entitlements are correctly calculated.

A list of new employee contribution rates (the 'pre-list') is sent to employers via the website by Mercer in early March. The new contribution rates should be entered in your payroll database to take effect from the annual adjustment day of 1 April.

The annual salary review must be processed electronically via the website. A Mercer Employer Relationship Officer can provide you with more information about the electronic process.

### 5.3 Public Service Senior Executives and Police Service Executives

The salary to be provided, in respect of Public Service Senior Executives and Police Service Executives, is the salary the member has nominated for superannuation purposes. Please refer to STC Fact Sheet 8: *Calculation of Superable Salary and Oncost Liability and Membership Options for Public Service Senior Executives and Police Service Executives*.

When a Public Service Senior Executive or a Police Service Executive's contract is terminated and they return to a graded or lower paid position in the public sector, their salary for superannuation purposes is the salary they actually receive in the graded or lower paid position.

For a SASS member who is a Health Service Senior Executive or a Transport Service Senior Executive they are also required to pay the employer on-cost but cannot nominate their superable salary as their salary is determined in the same manner as a standard SASS member - see section 5.1.

#### 5.4 Salary reduction (including retention of higher salary)

If an employee's full-time salary reduces during the superannuation year, the employee continues to pay their contributions at the higher salary rate until their next annual adjustment day of 1 April.

An employee whose attributed salary has reduced due to ill health or special circumstances can apply for their attributed salary to be deemed the same as their attributed salary immediately before the reduction.

This application must be made in writing and must detail the circumstances that gave rise to the reduction in attributed salary. Where the reduction is claimed to be as a consequence of ill health, the employee should provide an explanation, together with supporting documents (including a statement from the current employer) indicating the connection between their ill health and the reduction in attributed salary.

Where the employee claims the reduction in attributed salary was the result of special circumstances, the employee should provide an explanation of why the circumstances are regarded as special, together with supporting documents substantiating the matters claimed in the application.

#### 5.5 Salary reduction for members aged 55 and over (crystallisation)

Members 55 years and over who have a salary reduction of at least 20% can defer their SASS entitlements based on their higher salary. The member must apply to defer/crystallise their benefit within two months of the salary reduction and attach a certificate from the employer verifying their age and the salary amount before and after the reduction.

The benefit is deferred, and the benefit amount is based on the member's final average salary immediately before the salary reduction. This applies to both the SASS benefit and basic benefit.

Contributions cease to be payable to SASS from the date of effect of the member's election. However, the member can immediately join another complying superannuation fund of their choice, including SASS (provided they elect to do so when they defer their original benefit), and accrue benefits in that scheme. If the member joins SASS, their new membership benefits will accrue in the scheme based on their lower salary, including the basic benefit.

Members who require further information about this option can contact Customer Service on 1300 130 095. Employers requesting further information can contact the Employer Helpline on 1300 142 708.

Please refer to:

- STC Fact Sheet 14: *Crystallising your benefit after age 55*; and
- STC Form 240: *Election to crystallise your benefits*

## 6 CONTRIBUTIONS

### 6.1 Employee contributions

Members can contribute between 1% and 9% of their salary. The rate of contribution may be changed once a year on the annual adjustment day of 1 April.

To vary a contribution rate, a member needs to complete a contribution rate election form and return it to Mercer by 31 December. The contribution rate election form is sent to all members with their annual benefit statement or is available for download from the State Super website. Annual statements are generally issued in late October each year.

There are several ways an employee can make their compulsory personal contributions to SASS, as detailed below. Before making this decision, it is recommended employees seek professional financial advice. Aware Super<sup>1</sup> financial planners have the knowledge and expertise to advise SASS members and have been providing advice to State Super members for over 30 years. Aware Financial Services Australia Limited (Aware Financial Services) (ABN 86 003 742 756) holds an Australian Financial Services Licence (AFSL number 238430) and is able to provide financial product advice. Aware Financial Services is owned by Aware Super Pty Ltd as trustee of Aware Super. For more information about Aware Super call 1800 841 633 or visit [aware.com.au/state-super](http://aware.com.au/state-super).

Provided the employer agrees, an employee's compulsory personal contributions to SASS can be made:

- entirely from their before-tax salary (salary-sacrifice concessional contributions)
- entirely from their after-tax salary (non-concessional contributions)
- from a combination of before-tax and after-tax salary.

Contributions to SASS are payable to the end of the month prior to that in which the member's last day of service occurs. Therefore, contributions are not payable for any service in the month of exit. However, if the last day of service is the last day of the calendar month, contributions are also due for that month.

Employees must continue to contribute to SASS until they exit employment.

SASS employee contributions can be made to Mercer by sending a Convar file to Mercer.

Refer to Section 12 for the self-assessing contribution arrangement.

#### Calculating employee contributions

Employee contributions for each calendar month are calculated by multiplying the attributed full-time salary as at 31 December by the salary ratio and the employee's contribution percentage rate, and dividing by 12.

Example: (31 December salary x salary ratio x contribution rate) divided by 12 = monthly rate

$$\mathbf{\$71,056 \times 1.0000 \times 9\% = \$532.92}$$

**12**

You are not required to determine an employee contribution deduction rate for payroll purposes.

Two methods used in relation to fortnightly pay systems are set out below. These can be readily adapted for a weekly pay system.

1. Multiply the monthly rate by 12 and divide by 26 or by 27, depending on how many pay days there are for that year commencing 1 April.
2. Deduct half the monthly rate figure in each of the two pay periods in a month, and make no deduction if there is a third pay during the month.

**Note:** Any change to an employee's circumstances – such as CIHW, LWOP or employment exit – should be advised to Mercer as soon as possible to ensure the member's record and contribution rate are adjusted promptly.

## 6.2 Salary sacrifice

Salary-sacrifice contributions are treated as employer contributions and attract the Commonwealth Government's 15% contributions tax on entry to the scheme. This means the amount the employee contributes needs to be increased (or grossed up) by an amount representing the contributions tax, so that they make the same net contribution to SASS that they would have made via after-tax contributions.

To calculate how much extra the employee would need to contribute on a salary sacrifice basis, simply divide the current after-tax contribution amount by 0.85. For example, if the employee currently contributes \$4,200 to SASS in after-tax contributions, the amount would need to increase to \$4,941 via salary-sacrifice contributions (that is,  $\$4,200 \div 0.85 = \$4,941$ ). The grossing-up of contributions is arranged by the employee with the employer as part of overall salary packaging arrangements.

To help you determine the total contributions you need to remit for an employee from before-tax salary there is a calculator available at <https://supercalcs.com.au/salariesacrifice/sass>.

**Note:**

- Salary-sacrifice contributions do not affect the amount of an employee's SASS contribution or superannuation salary
- Salary-sacrifice contributions do not count for the Commonwealth Government co-contribution.

We recommend employees seek professional financial advice to help them decide whether to make salary-sacrifice contributions, as the advantages can vary depending on an individual's personal circumstances.

Aware Super financial planners have the knowledge and expertise to advise SASS members and have been providing advice to State Super members for over 30 years. Aware Financial Services Australia Limited<sup>1</sup> (Aware Financial Services) (ABN 86 003 742 756) holds an Australian Financial Services Licence (AFSL number 238430) and is able to provide financial product advice. Aware Financial Services is owned by Aware Super Pty Ltd as trustee of Aware Super. For more information about Aware Super call 1800 841 633 or visit [aware.com.au/state-super](http://aware.com.au/state-super).

Further information can be found in SASS Fact Sheet 17: *Salary sacrifice your compulsory personal contributions to SASS*.

Employees should also refer to SASS Fact Sheet 16: *Contribution caps and your total superannuation balance* for information about the Commonwealth Government's concessional contributions cap.

<sup>1</sup>Aware Financial Services Australia Limited (Aware Financial Services) (ABN 86 003 742 756) holds an Australian Financial Services Licence (AFSL number 238430) and is able to provide you with financial product advice. Aware Financial Services is owned by Aware Super Pty Ltd as trustee of Aware Super.

State Super does not pay fees to, nor receives any commissions from Aware Financial Services for financial planning and member seminar services provided to State Super members.

Neither State Super nor the New South Wales Government take any responsibility for the services offered by Aware Financial Services and its related entities, nor do they guarantee the performance of any service or product provided by Aware Financial Services and its related entities.

### 6.3 Late applications to increase a contribution rate

SASS will approve a late application from an employee to increase their contribution rate if received between 1 January and 31 March. SASS may also approve an employee's application to increase their contribution rate if it is lodged after 31 March and before 30 June and the employee can demonstrate that they:

- did not receive an election to contribute for that year
- did not submit an election for that year through circumstances beyond their reasonable control
- were unaware of the implications of not electing to contribute at a higher rate.

### 6.4 Financial hardship contribution rate

SASS may approve an employee's application to reduce contribution rates to as low as 0% on the grounds of financial hardship where:

- a) the employee demonstrates that they would suffer financially if the application was not approved. If approved, the reduction will take effect from the beginning of the next contribution period after receipt of the application, and will cease no later than the 1 April succeeding the forthcoming 1 April, or
- b) the employer has confirmed that the employee was on leave without pay for the period for which the reduction is claimed, and that the employee has not as yet personally paid the contributions, or
- c) the employee demonstrates that the only income they received was workers compensation payments for the period for which the reduction is claimed and that these payments were less than the employee's normal salary.

Applications under (b) and (c) will take effect from the first day of the first full calendar month of the period of leave without pay or workers compensation, and will cease from the last full calendar month of the period of leave without pay or workers compensation.

### 6.5 Employer contributions

Employer contributions fund the employer-financed component of the SASS benefit and the Basic Benefit. Employers are also required to make additional employer contributions (AEC) for any members that are eligible to receive AEC contributions. Mercer invoices employers who are not

Treasury funded for employer contributions relating to:

- the employer-financed component of SASS;
- the Basic Benefit component of SANCS
- the AEC component of SANCS

The amount billed for the employer-financed component of SASS, the Basic Benefit and AEC contributions is included on the monthly invoice employers receive for employee SASS contributions.

**Note:** On-budget Treasury-funded employers also receive an invoice containing each of the components shown above, however these employers are only required to pay the invoiced SANCS AEC amount, as the employer contributions to fund the employer-financed component of SASS and the Basic Benefit are remitted by Treasury directly to Mercer.

The invoice will advise employers of the total amount payable, which must be paid within seven days of the last day of that month.

#### **Further information on Additional Employer Contributions (AEC)**

A regular monthly AEC amount has been shown on invoices from April 2016. However, eligible members became entitled to receive the contributions from 1 July 2013, and employers have been funding this entitlement from that date.

As stated above, all employers who employ members that are eligible for Additional Employer Contributions (AEC) will be invoiced monthly for a SANCS AEC amount. However, not all SASS members are eligible for AEC contributions, with the following members not eligible to receive contributions:

- Any members not subject to NSW Public Sector wages policy. This includes members employed by NSW Universities and Local Government agencies.
- Any members subject to the 2.5% wages cap but who received an increase in remuneration under an award or other industrial instrument that did not factor in superannuation guarantee rate increases. These members will become eligible for the SANCS AEC benefit when that award or industrial instrument expires; and
- Any members who are Public Service Senior Executives or who are in the Police Executive Service, Transport Executive Service or the Health Executive Service.

The AEC amount that an employer must pay is the equivalent of 2.5% (from 1 July 2024) of the salary of an eligible employee for each financial year, or part of a financial year, for which the employee is an employee. Employers are required to pay this amount on a monthly basis. Mercer will calculate the monthly amount due for each eligible employee of an employee, and the sum of those amounts will be included on the invoice, as discussed above.

The AEC rate was 0.25% for the 2013-14 financial year, 0.5% for the 2014-15 to 2020-21 financial years, 1.0% for the 2021-22 financial year, 1.5% for the 2022-23 financial year, 2.0% for the 2023-24 financial year and 2.5% from 1 July 2024.

The AEC rate will increase in line with future increases in the SG rate. The SG rate is currently legislated to increase by 0.5% to 12.0% from 1 July 2025, which would mean an AEC rate of 3.0%.

### **Remitting contributions to Mercer**

Refer to Sections 11 and 12 for further details of how employers can remit contributions to Mercer for the SASS and SANCS Benefits.

In certain circumstances, a SASS member may also be a contributing member of another superannuation fund. An employee may be working for the same employer in multiple positions and receiving separate remuneration, or working for two different employers. In both cases, the second job or job not covered by SASS will attract Superannuation Guarantee contributions, which will be made to the other complying superannuation scheme for that purpose.

## **6.6 Optional employee contributions to another complying superannuation fund**

In addition to their contributions to SASS, employees may also make superannuation contributions to another complying superannuation fund of their choice.

Eligible employees may elect to pay:

- top-up (post-tax) contributions to boost their personal superannuation savings
- contributions on behalf of a spouse as defined in the legislation
- salary-sacrifice contributions on a pre-tax basis (which are treated under the tax and preservation rules as employer contributions and are subject to 15% contributions tax).

Optional contributions to another fund do not affect the amount of an employee's SASS contribution or superannuation salary. However, employees should be aware of the contribution caps that apply to contributions made to all superannuation funds in a financial year, and the additional tax which may be applicable for exceeding the cap. Further information can be found in SASS Fact Sheet 16: *Contribution caps and your total superannuation balance*.

## 6.7 Leave without pay

LWOP is a period of leave during which the employee is not entitled to be paid a salary by the employer.

For superannuation purposes, LWOP is categorised as either prescribed leave or non-prescribed leave.

### Prescribed leave

Employers are generally not required to advise Mercer about periods of prescribed LWOP taken by employees.

A period of prescribed leave generally counts as part of the period of SASS membership for the purposes of benefit point accrual, and for the accrual of the basic benefit.

Employee contributions continue to be payable to SASS during prescribed leave, but should be paid to the employer as the employer continues to forward contributions to Mercer at the rate that would have been deducted from the employee's salary if they had still been at work.

Mercer is not able to accept employee contributions directly from the member. The employer also continues to make employer contributions for the member. If the employee cannot afford to pay their personal contributions, they can apply in writing to Mercer to have their contribution rate reduced to as low as 0% for their period of prescribed LWOP.

Where an employee takes continuous prescribed sick or maternity LWOP for a period that is longer than two years, only the first two years are treated as prescribed LWOP. Contributions are not payable and benefit points cannot be accrued for any period of continuous LWOP in excess of two years.

### Non-prescribed leave

Where an employee takes LWOP that is not prescribed leave (such as holiday LWOP), contributions are payable in the months the LWOP starts and ends (unless those months are full months), but not for any whole months in between. Benefit points do not accrue during the months when contributions are not payable and cannot be made up when the member returns to work.

Where LWOP is less than one calendar month, full contributions (employee and employer) must be paid. The employer must advise Mercer of any period of non-prescribed LWOP that exceeds five continuous working days. Employers can submit the form *STC Form E223 Members taking full-time ordinary LWOP (for more than 5 continuous days)* electronically via the employer website. Do not complete this form for prescribed leave.

The following table summarises the differences in the treatment of prescribed and non-prescribed LWOP.

	Prescribed leave	Non-prescribed leave
Types of leave	<ul style="list-style-type: none"> <li>• Sick leave without pay</li> <li>• Maternity leave without pay</li> <li>• Secondment to a non-SASS employer</li> <li>• Workers Compensation</li> <li>• Union duties</li> <li>• Duties for the employer or State</li> <li>• Military leave</li> <li>• Circumstances approved by the STC</li> </ul>	Holiday or annual leave without pay
Employer advice required?	No, unless sick leave or maternity leave without pay exceeds two years.	Yes, leave without pay in excess of five days.  Use STC Form E223 <i>Members taking full-time ordinary LWOP for more than five continuous days</i>
Contributions payable?	Yes, employee and employer contributions are payable. However, for sick leave and maternity leave without pay, contributions are due for the first two years only.	Where the member is not on LWOP for the full calendar month, full contributions (employer and employee) must be paid.  Basic benefit does not accrue if LWOP exceeds five days.
Rate reduction	Members may apply in circumstances of financial hardship.	Not applicable.

## 6.8 Part-time employment

When a member moves from full-time to part-time or from part-time to full-time employment, or changes the part-time hours they work, the member's account is adjusted to reflect the actual hours the member is working (the same conditions apply to non-prescribed part-time LWOP).

The member pays contributions and accumulates benefit points on a pro-rata basis effective from the beginning of the month following the change in employment conditions, unless the change occurs on the first day of a month, in which case the change will be effective from the beginning of that month.

Employers can submit changes in hours worked via an electronic file or can use STC form E222 *Changes in hours worked* to advise Mercer of the relevant details. Periods of prescribed leave (such as maternity leave) taken on a part-time basis are not required to be reported.

### Calculating the contribution rate

Mercer calculates the contribution rate applicable to a part-time employee. This will be indicated on the adjusted invoice you will receive from Mercer. The calculations are as follows:

#### Step Procedure

1. A salary ratio is calculated (to four decimal places) by dividing the employee's part-time salary by the full-time equivalent salary:

Part-time salary \$15,000  
Full-time salary \$30,000 = salary ratio 0.5000

2. Once the ratio has been established, the full-time equivalent salary is used as a basis for calculating the member's contribution rate, benefit points, SANCS (basic benefit) and employer-financed benefit.
3. If the member contributes 6% of their superable salary, the employee contribution rate is calculated as:  
\$30,000 x 6% x 0.5000 divided by 12 = \$75.00 per month.
4. Benefit points are calculated as 6 x 0.5000 = 3 points per year.
5. The employer-financed benefit for that year is calculated as:

Full-time equivalent salary x benefit points (accrued at the reduced rate) x 2.5%  
\$30,000 x 3 x 2.5% = \$2,250

The salary-ratio method ensures that a member's benefit is always related to an equivalent full-time salary. This avoids dramatic fluctuations (up or down) in benefit entitlement and the associated employer's liability that could otherwise occur as an employee moves between different modes of part-time and full-time employment.

Where a member works a continuous period of part-time employment at less than 10 hours per week for two years or more, contributions and benefit accrual must cease. Please notify Mercer of any such cases.

## 6.9 Casual employment

There are no specific provisions for casual employees in SASS. Any change in employee hours or circumstances is to be notified using the salary-ratio method.

## 6.10 Higher duty arrangements – relieving allowances

If a member is on a higher duty arrangement and receiving a higher duties or relieving allowance which is likely to be paid for a continuous period of 1 year, the allowance should be included in the employee's superannuation salary. The employer needs to provide the relevant certification.

To meet the certification requirements, the employer must send written advice (via email is acceptable) to Mercer that the employees relieving allowance is likely to be paid for a continuous period of 1 year. The allowance is included as salary for superannuation purposes on the date the certificate is lodged with Mercer or the date the allowance becomes payable, whichever is the later.

If a certification is not provided by the employer or it is not known how long the allowance will be paid, the allowance will not form part of the employee's superannuation salary until it has been paid for a continuous period of 1 year. After the expiration of 1 year, the allowance should be reported by the employer as part of the annual salary review and will be treated as part of the employee's salary while its payment to the employee continues.

A reference to a continuous period of 1 year is, in relation to a member who is employed in an educational institution (such as a university), to be read as a reference to the academic year of the institution i.e. a continuous period commencing on the first day of any academic term of the institution and ending on the day before the first day of the corresponding academic term in the following calendar year.

### 6.11 Temporary appointments

Temporary appointments are generally treated in a similar way to a higher duty arrangement in that, unless an employer provides the relevant certification about a salary for a temporary appointment being likely to be paid for a continuous period of 1 year, then the extra salary attributed to that temporary appointment does not become part of the member's superannuation salary until it has been paid for a continuous period of 1 year.

However, where a certification is provided, it must also include the intentions of the employer regarding the circumstances of the temporary appointment and the outcome if the temporary appointment ceased without the employee ceasing employment i.e. if the intention is that the employee would revert to their substantive salary when the temporary appointment ends and the period of the actual temporary appointment is less than 1 year, then the extra amount of salary payable for the temporary appointment is likely not to be classed as being part of salary for superannuation purposes.

If however the intention is that when the temporary appointment ends the employee would remain at the higher salary, then the extra amount of salary payable for the temporary appointment is likely to be classed as being part of salary for superannuation purposes once it has been paid for at least a continuous period of 1 year (or once the employer provides certification that the extra salary was likely to be paid for at least 1 year).

### 6.12 Shift work

Where a SASS member receives a shift allowance, the employer is generally required to add a loading to the contributor's base salary for the purpose of determining the superable salary figure to be reported to Mercer.

A loading may be added to a member's superable salary to take account of shift allowances received in a year, provided a minimum number of shifts (105) are deemed to have been worked. The loading is calculated by the employer according to a formula that takes into account the number of hours worked in the shifts.

The shift loading is calculated according to the following table:

Shifts worked in the 12-month period to 31 December for which an allowance was paid	Percentage loading to base salary
less than 105 shifts	Nil
105 to 156 shifts	10%
157 to 208 shifts	15%
209 or more shifts	20%

The number of relevant shifts the contributor is taken to have worked during the 12 month period is calculated as follows (note: this formula takes into account the number of hours worked in shifts):

$$N = \frac{H}{H_0} \times S$$

Where:

**N** is the number of relevant shifts the contributor is taken to have worked during the relevant\* period.

**H** is the number of hours per shift regularly required to be worked in such shifts during the relevant\* period.

**H<sub>0</sub>** is the smallest number of hours per shift regularly required to be worked (whether by the contributor or any comparable worker) in such shifts during any calendar year after 1987, including the relevant\* period.

**S** is the sum of:

- the number of such shifts the contributor actually worked during the relevant\* period, and
- the number of relevant shifts the contributor would have actually worked during the relevant\* period but for the contributor being on leave, being leave for which a shift allowance or an equivalent allowance or loading (including that part of annualised salary that replaces shift allowance in respect of the contributor) is paid.

\* 'Relevant period' is the 12-month period ending on 31 December immediately preceding the date on which the salary of the member is to be calculated for the purpose of determining the superable salary figure to be reported to Mercer.

If the value of a shift allowance paid to a contributor for a given number of shifts is less than the percentage of base salary shown in the above table, the amount actually paid is used to determine the loading. However, where an agreement or accepted practice between the employer and the union representing its employees provides for the payment of shift loadings in excess of those calculated as above, then the loading used to determine superable salary is based on the higher amount, providing that the agreement or practice was in force immediately before 18 December 1987.

### 6.13 Purchased leave

Purchased leave is a voluntary arrangement between the employee and the employer where the employee may purchase additional leave by reducing their annual salary.

The employee's salary is adjusted commensurate with the number of leave days purchased.

For the purchase of 20 additional days per year (four weeks), the new salary rate will be 92.3% of the ordinary rate or pro-rata equivalent.

For the purchase of 10 additional days per year (two weeks), the new salary rate will be 96.15% of the ordinary salary rate or pro-rata equivalent.

After termination of the purchased leave agreement, the calculation of the contributions should return to the normal superable salary.

A termination of employment during the purchased leave agreement period will affect the employee's superannuation benefit entitlements (SASS and SANCS components) as the reduced salary will be used to calculate the employee's final benefit. If an employee's period of purchased leave also covers an annual review day, their benefit would be further affected. We recommend that anyone considering purchased leave to seek financial advice. Refer to SASS Fact Sheet 11: *Purchased leave* for more information.

### 6.14 Secondment

When an employee is seconded to another employer, employee contributions remain payable. The new employer is required to pay monies back to the original employer, as the original employer continues to pay the employee liability.

Mercer is unable to accept contributions from the seconding employer and secondment details are not updated on the employee's contributory record.

The salary figure reported is the figure which would have been payable had the employee not been absent from your employment. In certain cases of secondment to a non-SASS employer, the salary figure on which contributions and benefits is based is the figure payable by the other employer during the secondment.

### 6.15 Members aged 65 to 70

Superannuation contributions to SASS can be accepted for employees up to age 70, however:

- employee and employer contributions must continue to be paid to SASS for employees who do not choose to exit the scheme after reaching age 65, and contributions remain payable up to an employee's 70th birthday.
- an employee aged between 65 and 70 may, however, choose to exit SASS and receive payment of or defer their accrued benefits even if they continue to work. In this case, it will be necessary for the employer to pay Superannuation Guarantee contributions to another complying superannuation scheme
- contributions and benefit accrual must cease at age 70. If the employee continues to work after reaching their 70th birthday, it will be necessary for the employer to pay Superannuation Guarantee contributions to another complying superannuation scheme nominated by the employee.

## 7 BENEFITS

An employee's benefit generally consists of a SASS benefit split into two parts: the contributor-financed and employer-financed benefits, and the SANCS benefit. The SANCS benefit is made up of the basic benefit and, for some members, the balance of any AEC and Commonwealth Government contributions accounts. An additional benefit may also be payable for members exiting because of death or total and permanent invalidity who are covered for the additional benefit.

### 7.1 Contributor-financed benefit

The contributor-financed benefit is the balance of a member's personal account and consists of accumulated member contributions and investment earnings, less management charges and additional benefit levies (if applicable).

### 7.2 Employer-financed benefit

The employer-financed benefit is a defined benefit based on accrued benefit points during the period of membership. Benefits points accrue at the rate of one benefit point for each 1% of salary a member contributes in a year.

Each benefit point accrued provides an employer-financed benefit of 2.5% of final salary or final average salary, depending on the type of exit. The salary percentage is 3% in the case of former members of the State Public Service Superannuation Fund (SPSSF).

The maximum benefit point accrual is an average of six benefit points for each year of scheme membership, with an overall general maximum of 180 benefit points for the whole period of SASS membership.

Former members of the SPSSF retained an early retirement at age 55 instead of age 58. These members have a maximum benefit point accrual of 162 benefit points at age 55, increasing by a maximum of 6 points each year to 180 points at age 58 or later.

### 7.3 Basic benefit

The basic benefit is additional to the SASS benefit. It accrues at the rate of up to 3% of final average salary or final salary, depending on the mode of exit, for each year of service from 1 April 1988 (with any part year calculated on a daily basis). Periods of non-prescribed LWOP of more than five consecutive days do not count as service for basic benefit purposes. In the case of death, invalidity or retrenchment before age 55, the benefit amount is based on final salary.

The basic benefit is fully paid by employers.

The following table summarises the salary used to calculate the basic benefit and the employer-financed benefit, depending upon the exit type.

Type of exit	Salary used to calculate basic benefit
At or after age 55	Final average salary*
Retrenchment, partial and permanent invalidity, total and permanent invalidity, or death prior to age 55	Final salary
In other circumstances of exit prior to age 55	Final average salary

\* Final average salary is the average of the salary paid to the employee on their last day of work and the two previous 31 December salaries.

Refer to STC Fact Sheet 10: *Basic benefit* for more information.

#### Part-time employment

If an employee changes the hours that they work (for example, from full-time to part-time), then a salary ratio factor is applied to the basic benefit service accrual rate.

For example, a member, previously working full time, changes their working hours to half the normal hours of that position (and correspondingly earning half the full-time salary) for one year. In this case, a salary ratio of 0.5 is applied to reduce the basic benefit service entitlement to six months (1 year of service x 0.5 salary ratio). The full-time equivalent salary is used to calculate the final average salary so as not to disadvantage the member for service days accrued at the full-time rate.

### 7.4 SANCS Additional Employer Contribution (AEC) Benefit

The SANCS AEC benefit is paid in addition to the SASS benefit and the Basic Benefit. Unlike these other benefits, which are defined benefits, the SANCS AEC benefit is an accumulation-style benefit. Each eligible SASS member will have a SANCS AEC account into which the additional employer contributions (AEC) amounts are allocated each month. Tax at the rate of 15% is deducted from these contributions when received and the monthly balance of the account attracts investment returns at the fund growth rate. A member's SANCS AEC benefit is the balance of this account when they exit the fund.

Not all SASS members are eligible for the SANCS AEC contributions, and so will not have a SANCS AEC benefit. Members who are not eligible include:

- Any members not subject to NSW Public Sector wages policy. This includes members employed by NSW Universities and Local Government agencies.
- Any members subject to the 2.5% wages cap but who received an increase in remuneration under an award or other industrial instrument that did not factor in superannuation guarantee rate increases. These members will become eligible for the SANCS AEC benefit when that award or industrial instrument expires; and
- Any members who are Public Service Senior Executives or a member of the Police Executive Service, Transport Executive Service or the Health Executive Service.

The SANCS AEC benefit is fully paid by employers.

Refer to STC Fact Sheet 20: *SANCS Additional Employer Contributions (AEC) Account* for more information.

## 7.5 Commonwealth Government co-contributions and the low-income earners superannuation tax offset

The Commonwealth Government makes co-contributions to match, up to certain limits, personal contributions made into superannuation funds by eligible persons.

The Low Income Superannuation Tax Offset (LISTO) is a contribution tax refund of up to \$500 annually for low-income earners.

Co-contributions and LISTO can both be accepted into SASS, and they, together with the basic benefit, form the SANCS benefit.

For more information on the co-contribution and the LISTO please see STC Fact Sheet 13: *Information about the Commonwealth Government's superannuation co-contribution and the low-income superannuation tax offset.*

## 7.6 Additional benefit

For members who have applied for and been granted additional benefit cover, an additional benefit is payable on top of the standard benefit available to all contributors (including the basic benefit), if an employee exits the fund due to total and permanent invalidity or death prior to their early retirement age.

**Note:** Employees of the NSW Fire Brigade, NSW Ambulance Service or NSW Police Force may be covered under the revised death and disability provisions. If these members do not currently have additional benefit cover they are not eligible to apply for this cover.

## 7.7 Deferred benefit

As an alternative to receiving the withdrawal benefit immediately payable on resignation, dismissal, discharge, retrenchment or retirement, an employee may choose to defer their entitlement in SASS. It will then be paid after they have attained retirement age, on total and permanent invalidity, or on death.

The deferred option is designed to assist mobility of employment and means that an employee can keep their accrued rights in the scheme and receive a larger employer-financed benefit.

Subject to compulsory preservation (refer to Compulsory benefit preservation for further information) a member with a deferred benefit who is not yet eligible to receive the deferred benefit may choose at any time to take the cash withdrawal benefit that was payable at exit. However, in doing this they forfeit their right to the larger deferred lump sum (except in the case of a deferred retrenchment benefit). If a member elects to take the cash withdrawal benefit it can be rolled over to another superannuation fund.

A former member may also elect to roll over their deferred benefit once they are eligible to receive it. If they wish to do this the full amount of the benefit must be paid out of the fund, i.e., partial payments are not permitted.

## 7.8 Claiming a previously deferred benefit

The deferred benefit can be released to the member in one of the following circumstances:

- on financial hardship or compassionate grounds (subject to conditions and payment limits)
- on permanent invalidity
- on death, to a surviving eligible spouse or de facto partner (which may include a partner of the same sex)
- at the normal retirement age.

If a deferred benefit member does not meet one of the conditions above they have the option at any time to take a cash benefit (an immediate lump sum) plus interest. However, they will forfeit the larger employer-financed retirement benefit explained in Section 7.7.

## 7.9 Compulsory benefit preservation

Commonwealth provisions generally require part of a member's superannuation benefit to be preserved until the member ceases work from the age of 60 or retires from the workforce at or after the member's preservation age, which is between 55 and 60.

The benefit will be paid earlier than the preservation age in the event of the member's permanent invalidity or death. Partial payment on the basis of financial hardship or compassionate grounds may also be approved.

Conditions of release of the compulsory preserved benefit are:

- the member ceases an employment arrangement from age 60
- the member retires from the workforce at or after their preservation age which is between the ages of 55 and 60 depending on their date of birth (see the table below)
- the member reaches age 65, even if they continue to work
- the member becomes permanently incapacitated or dies
- the member meets the criteria for the benefit to be released on financial hardship or compassionate grounds. (See STC Fact Sheet 2: *Early Release of a Benefit on Grounds of Severe Financial Hardship* or Fact Sheet 6: *Early Release of a Benefit on Compassionate Grounds*).

The aim of the preservation standards is to help maintain, and grow, the member's super savings until normal retirement age. Retirement has a specific meaning under the superannuation payment standards depending on the member's preservation age.

The preservation age of a fund member is defined in the table below.

Member's date of birth	Preservation age
Before 1 July 1960	55 years
Between 1 July 1960 and 30 June 1961	56 years
Between 1 July 1961 and 30 June 1962	57 years
Between 1 July 1962 and 30 June 1963	58 years
Between 1 July 1963 and 30 June 1964	59 years
After 30 June 1964	60 years

If a member has reached their preservation age but is less than 60 years of age, retirement means that they need to have ceased work permanently.

Further information can be found in STC Fact Sheet 4: *When can I be paid my superannuation benefits?*

### 7.10 Partial payment of superannuation entitlement

Early release of a superannuation benefit on the grounds of severe financial hardship or compassionate grounds is available subject to meeting strict conditions. If a member of the scheme is not contributing or is a deferred member, they may be able to access part of their benefit on financial hardship grounds.

However, an active member may be able to access part of their benefit on compassionate grounds while still contributing to the scheme.

Refer to STC Fact Sheet 2: *Early Release of a Benefit on Grounds of Severe Financial Hardship* or Fact Sheet 6: *Early Release of a Benefit on Compassionate Grounds*.

## 8 CEASING TO BE A MEMBER OF SASS

In all cases where an employee exits the fund, the employer should complete SASS Form E403 *Advice of SASS member ceasing employment*. The employee should complete either SASS Form 412 *Application for payment of a SASS benefit* (or another form as appropriate) or STC Form 238 *Continuity of scheme membership*.

### 8.1 Employment transfer and continuity

#### 8.1.1 Transfers

This applies to employees who transfer from one department or administrative unit of the NSW public service to another without a break in employment. Transferred members must remain members of SASS and do not have the option of having their superannuation benefit paid out.

For superannuation purposes, these employees are generally treated as if there has been no break in employment and automatic continuity of SASS membership usually applies.

The previous employer must pay for its SASS funding liability up to the end of the month prior to the transfer. The new employer must pay for the full calendar month in which the transfer takes place.

The original employer must complete STC Form E216 *Transfers within the public sector*.

Employees of local government or energy industry entities who were members of SASS prior to 1 July 1997 and have subsequently transferred to either the Local Government Superannuation Scheme (LGSS) or the Energy Industries Superannuation Scheme (EISS) are able to transfer their accrued benefits and contributory entitlements to an equivalent membership in SASS on commencing new employment in the NSW public sector.

**Note:** The transfer cannot occur unless the application is in writing and is made within three months of the employee's transfer date.

#### 8.1.2 Continuity

An employee can apply for continuity of scheme membership if they will leave their present job and start a new job with another SASS employer within three months and are aged less than 58 on the date they leave their present job.

The employee should complete STC Form 238 *Continuity of scheme membership*. This form must be received by Mercer no later than two months after the member commences with the new employer.

Alternatively, the employee may apply for payment or deferral of their benefit. If an employee elects to apply for their benefit, they cannot remain in SASS and must join another complying superannuation fund.

#### 8.1.3 Mobility provisions for local government and energy industry employees

On 1 July 1997, local government and energy industry employees were transferred across from SASS (and SANCS) to new schemes established for local government and certain electricity industry employers.

Members who were transferred under these arrangements are able to resume membership in SASS if they cease employment with a local government or energy industry employer and commence new employment in the NSW public sector (provided they commence employment within three months of the date they ceased employment).

Members who transfer to a local government or energy industry employer do not have the option to stay in SASS. They must transfer their accrued benefits to the Active Super Retirement Scheme (for local government employees) or Cbus Retirement Scheme (for energy industry employees).

## 8.2 Withdrawal, resignation or dismissal

A withdrawal benefit is payable when a member resigns, is discharged or is dismissed from employment prior to early retirement age. The member also has the option of deferring their benefit in the scheme.

## 8.3 Retirement

A retirement exit occurs when a member ceases employment with an employer on or after reaching the early retirement age.

Former members of SPSSF may retire with SASS benefits from age 55, whereas other members of SASS can generally only retire after reaching age 58.

## 8.4 Retrenchment

SASS may pay a retrenchment benefit where the employee has not reached their early retirement age and their service is compulsorily terminated, or they accept an offer of retrenchment, on the grounds that:

- the employer no longer requires their services and, on termination of that service, does not propose to fill their position; or
- the work that they were engaged to perform is completed; or
- the amount of work that the employer requires to be performed has diminished and it is necessary for the employer to reduce the number of employees.

## 8.5 Invalidity

An invalidity exit occurs when an employee ceases employment before the normal retirement age on the grounds of a physical or mental incapacity to perform their duties.

There are two categories of invalidity benefit:

- partial and permanent invalidity (PPI), and
- total and permanent invalidity (TPI).

The exit advice must state the exit reason as invalidity or medical retirement.

An employee claiming a TPI benefit is required to provide medical evidence relating to their fitness for work.

The Department of Premier and Cabinet contracted Medibank Health Solutions (MHS) to provide medical assessment services for the NSW public sector from 12 August 2011. Following a transfer of ownership, Sonic HealthPlus (SHP) replaced Medibank Health Solutions for medical services from 2 October 2015. From 17 October 2016 the NSW Public Service Commission implemented the Employment Related Medical Services prequalification scheme whereby a panel of providers were selected to provide employment related medical assessment services and other employment related medical services to NSW Government agencies. Five providers were selected for pre-qualification under the Scheme. The providers are:

- IMMEX Green Square Medical Treatment Pty Ltd
- InjuryNET Australia Pty Ltd
- MedHealth Pty Limited
- Resilia Pty Ltd
- Sonic HealthPlus Pty Ltd

Please refer to Circular PSCC-2016-06-Medical services for NSW Government agencies. Enquiries relating to health assessments can be directed to [psw@dpc.nsw.gov.au](mailto:psw@dpc.nsw.gov.au).

Mercer will assess and process medical retirement applications upon receiving the exit form and relevant medical reports. Where these do not include reports by an approved provider and there are no exceptional circumstances such as terminal illness, Mercer will usually arrange examination by an approved provider or other independent medical specialists and, if appropriate, a vocational capacity assessment before determining TPI benefit claims, unless the member is not covered for the additional benefit.

An employee claiming tax concessions should submit two Certificates of incapacity (STC Form 227). The preserved components of benefits will be released if the claimant is assessed by Mercer as TPI.

Invalidity benefits cannot be deferred and must be either paid out or rolled over to another complying superannuation fund.

A member suffering from a terminal medical condition may be able to have their benefit paid tax free.

For more detailed information on the invalidity benefit claim, please refer to SASS Fact Sheet 7: *Invalidity retirement benefit*.

## 8.6 Death

If an employer is notified of the death of a SASS member the employer is to complete SASS Form E403 *Advice of SASS member ceasing employment*. The exit date should be noted as the date of death. Providing details of the next of kin will assist us in paying the benefit to the eligible person(s) in a timely manner.

## 8.7 Members aged 70

While an employee may choose to continue working after reaching age 70, their contributory membership of SASS must cease when they attain that age. The employee must be paid any benefit that they would be entitled to if they retired at that age, but they also have the option to defer their lump sum within the scheme if they are continuing to work a minimum of 30 hours each week.

From 1 July 2013, the age limit for superannuation guarantee purposes was abolished and eligible employees aged 70 years and older will be entitled to compulsory Superannuation Guarantee contributions. These contributions can be paid to Aware Super or another fund nominated by the employee.

## 8.8 List of employer forms

SASS/STC forms	Use
<b>SASS E403</b> Advice of SASS member ceasing employment	To advise of members ceasing employment, or members between 65 and 70 who are still working but wish to be paid their benefit.
<b>STC E216</b> Transfers within the public sector	To advise when a member's transfer involves movement from one billing location to another but there is no cessation of employment.
<b>STC E221</b> Member with change in AEC status	To be completed by employers to advise Mercer when a member changes AEC status, i.e., a member becomes relevant or non-relevant for AEC contributions.
<b>STC E222</b> Changes in hours worked (CIHW)	To advise when a member changes employment status so that the accrual of entitlements and contribution rates (if applicable) can be adjusted.
<b>STC E223</b> Members taking full-time ordinary LWOP (for more than five consecutive days)	To advise Mercer of any employees who have applied for and been granted more than five continuous days of full-time ordinary LWOP.

## 8.9 Completing the exit advice form

The exit advice form is used to advise Mercer about any employees contributing to SASS who have ceased employment with you. It is also used to provide details of members aged 65 to 70 who are still working but wish to be paid their benefit.

Do not use this form if the employee is transferring to another public sector employer. Please use STC Form E216 *Transfers within the public sector* for this purpose or complete the exit form on the employer website.

### Date of exit

The date of exit is the date that the employee ceased employment or, in the case of death, the date the employee died. For employees who are aged between 65 and 70, this will generally be the application date chosen by the employee. Mercer can confirm this date for you if the employee has not notified you of this date.

### Exit reason

Age retirement  
Death  
Invalidity  
Retrenchment  
Resignation  
Dismissal  
Discharge  
Over 65  
Age 70

### Salary

Full-time salary: For employees under 70 this will be the annual salary rate applicable on their date of exit. If the employee has reached age 70, this will be the annual salary rate applicable on their 70th birthday.

**Note:** If the employee works part-time you need to provide the full-time equivalent salary.

Please provide a record of the annual salaries for the last 31 December and the 31 December preceding. You will need to provide revised salary figures where an employee received a retrospective salary increase in the two to three years before the exit date.

## 9 COMMONWEALTH TAXATION

Scheme legislation authorises the reduction in a member's (gross) benefit to offset Commonwealth taxation provisions applying to superannuation funds. The reduced benefits are then subject to standard income tax provisions.

### 9.1 Employer contributions tax

Since 1 July 1988, Commonwealth tax at the rate of 15% has been payable on employers' superannuation contributions.

Members meet the cost of this tax through a reduction in their employer-financed benefits paid in respect of service from 1 July 1988. (This does not apply when an employer-financed death benefit is paid to the dependants of a deceased member – in these cases, no benefit reduction applies.)

However, the benefit reduction is offset by the lower personal tax payable when a member receives a benefit.

### 9.2 Tax of benefits

If a member is receiving a SASS pension, tax is generally not payable if they are over the age of 60, but some tax may be payable if their pension is more than \$118,750 per annum. Tax may be payable on a pension if they are under 60.

No benefits tax is payable on superannuation lump sum payments if a member is over the age of 60 when the lump sum benefit is received. If the member is under 60, tax may be payable.

The actual tax payable varies depending on the type of benefit taken, the member's tax-free amount, the eligible service period, their age and the reason for terminating employment.

The tax will be calculated and deducted from the benefit at the time of payment if not rolled over to a complying superannuation scheme. Additional tax concessions generally apply to superannuation benefits, depending on the recipient's age and the type of benefit payment.

The member's tax-free amount and eligible service period start date are shown on their annual statement. The tax-free amount comprises two components:

- the total amount of after-tax personal contributions paid to SASS since 1 July 1983 (or the date the member joined the scheme, if later), including any Commonwealth Government co-contributions. These contributions were called undeducted contributions up until 30 June 2007, and since 1 July 2007 they are called non-concessional contributions
- the proportion of benefits (if any) that relate to service before 1 July 1983. In accordance with Commonwealth tax requirements this component was calculated at 30 June 2007.

The tax-free amount is calculated as a percentage of the total benefit and each proportion of the total benefit withdrawn has the tax free percentage applied.

The tax treatment of superannuation is complex. An overview is contained in *STC Fact Sheet 3: Taxation*. We encourage members to obtain professional advice in relation to their own personal situation from an appropriately qualified adviser.

### 9.3 Contributions surcharge tax

The Commonwealth contributions surcharge tax commenced on 21 August 1996 and was payable where a member's taxable income plus employer superannuation contributions exceeded the annually adjusted income threshold.

The surcharge tax applicable to a defined benefit scheme like SASS is not payable to the ATO until part or all of the benefit leaves the scheme. Until then, the surcharge tax accumulates in a debt account that is increased at the Commonwealth 10-year Treasury bond rate each 30 June.

The surcharge tax will not be payable on employer superannuation contributions made after 1 July 2005. However, any surcharge debt a member had prior to 30 June 2005 will remain in SASS and will continue to accrue interest until the debt is paid.

Further information can be found in STC Fact Sheet 1: *Information about the Commonwealth contributions surcharge*.

### 9.4 Division 293 tax

From 1 July 2012 a tax of 15% applies to the concessional tax contributions (Concessional Contributions) of very high income earners. This tax effectively reduces the tax concession for very high income earners from 30% to 15% (excluding the Medicare levy).

**Concessional Contributions** include employer contributions (in the case of a defined benefit scheme such as SASS these are calculated on a notional basis) plus contributions paid by a member to a superannuation fund from their before tax salary (salary sacrifice).

**Concessional Contributions Cap** is the annual limit that is placed on the total amount of concessional contributions that can be made into superannuation funds for an individual that are treated on a concessional tax basis. For the financial year ending 30 June 2025, the cap is \$30,000 for all members (note that a person's individual cap may be higher if they have unused concessional contributions from earlier years (the first year unused cap amounts could accrue was the 2018-19 year, and after 5 years any unused cap amount expires), and their total super balance at the previous 30 June is <\$500,000).

There are special conditions applying to defined benefit funds. A member of a defined benefit fund whose defined benefit concessional contributions only, exceed their respective cap is deemed to be within their cap (capped amount). Note that this is sometimes referred to as 'grandfathering'. SASS members lose this special condition permanently if they move to a higher benefit category than they were in on either 12 May 2009 or 5 September 2006.

Any additional concessional contributions made to other superannuation funds are added to the defined benefit amount by the ATO and are not capped.

However, for Division 293 tax purposes, the cap does not apply and the **total amount of concessional contributions (uncapped amount)** will be taken into account.

An individual will receive a Division 293 tax assessment if they have **taxable contributions** for a financial year. To have taxable contributions, their income for Division 293 purposes, plus their **low-tax contributions (including the uncapped amount)** need to be greater than the High Income threshold. The amount of taxable contributions will be the lesser of the low-tax contributions

(including the uncapped amount) and the amount above the High Income threshold. An individual will be liable to pay 15% of the taxable contributions.

The High income threshold is:

Income year	Threshold amount
2017-18 onwards	\$250,000
2012-13 to 2016-17	\$300,000

For a member of a defined benefit fund, **low-tax contributions** equal:

- Defined benefit scheme – a notional valuation of employer contributions (notional taxed contributions) plus before tax (salary sacrifice) contributions paid to the fund (uncapped amount)
- Other superannuation fund - any other salary sacrifice contributions or employer contributions paid to another fund minus any excess concessional contributions.

Excess concessional contributions made to another superannuation fund are not included in low-tax contributions as these contributions are already subject to the excess concessional contributions regime.

Further information can be found in STC Fact Sheet 3: *Taxation*.

## 10 TAX FILE NUMBERS

### 10.1 Tax file number collection

SASS members do not have to provide their tax file number (TFN) to Mercer. However, if a member does not do so, any lump-sum benefit paid to the member will have PAYG tax deducted at the highest marginal tax rate rather than at superannuation concessional rates.

If the employer or member does not provide the TFN, an additional tax of 32% (on top of the 15% employer contributions tax) may be applied to the employer and salary-sacrifice contributions.

In addition, any Commonwealth Government co-contributions or LISTO payments will not be able to be accepted into the member's account.

If an employee requests an employer to provide their TFN to the fund, it is important that it is promptly forwarded to Mercer. That is, where the employee has answered yes at question 2 on the Tax File Number Declaration form.

Alternatively, employees can provide this information to Mercer in STC Form 204 *Tax file number collection* or by calling Customer Service on 1300 130 095.

### 10.2 No TFN contributions tax

If an employee has not provided SASS with their TFN, an additional 32% (on top of the 15% employer contribution tax) may be applied to any employer (including salary sacrifice) contributions.

If additional tax has been paid in regards to a member's employer contributions a reduction will be made to their benefits when they exit the scheme. This reduction may be reduced if the member provides their TFN.

Refer to STC Fact Sheet 3: *Taxation* for more information.

## 11 METHODS OF PAYMENT AND CONTRIBUTION REMITTANCE

There are two methods for the remittance of contributions. These are self-assessing and direct billing.

All employers currently use the self-assessing method where an employer provides a contribution variation file to Mercer on a monthly basis which consists of member contributions and advises of any contribution variations. Under this method, the employer assesses their own contribution liability and the file is submitted to Mercer online. If the file is in the correct format and is accepted by Mercer, an employer advice file and employer reconciliation report are sent to the employer at which time the payment is to be made by direct deposit or EFT.

### 11.1 The self-assessing system

All employers currently use the self-assessing system to pay contributions to SASS.

Around the third week of every month, each self-assessing employer's payroll system generates a convar file for the current month containing its member contributions and advice of any variations.

When Mercer processes the convar file an employer advice file and employer reconciliation report are sent to the employer.

On receipt of the above documents the employer should send payment to Mercer for the sum of the contributions and contribution adjustments reported on the convar file.

Payments can be sent by direct deposit or EFT to:

STC General Account  
Account no. 1022 6181  
BSB. 062 000

#### 11.1.1 The convar files

The convar file is submitted to Mercer online.

The Mercer SASS system processes the convar file if:

- the convar file is in the correct format; and
- the effective month and year of the contributions (which is given in the header record) is not in the future; and
- the employer code given in the header record is a recognised, active, self-assessing SASS employer.

If any one of these conditions fails, the Mercer SASS system will reject the entire convar file and return the file to the employer for correction and re-submission. In this case, *none* of the member contributions or variations are processed.

Refer to Section 11.1.6 for an example of the convar file format.

If all of these conditions are satisfied, the Mercer SASS system continues to process the member information provided as follows.

Each member on the convar file is matched to the Mercer SASS system based on member number, surname, payroll ID and employer. The member is considered matched if the member number and either payroll ID or surname match. If the match is successful, the contribution and contribution adjustment is allocated to the member account and any employer variance advised is updated to the system. Where the match fails (that is, where the member number or both payroll ID and surname do not match), the contribution information is allocated to a suspense account. Contributions in suspense are either corrected after consultation with the employer and subsequently allocated to the member, or returned to the employer.

Any variations advised for members successfully matched are either processed or reported for internal action, provided the variation itself does not have any errors. Where the variation data is found to have errors, the variation details are loaded to the system to await correction. Variations are corrected after consultation with employers and then re-processed through the Mercer SASS system. This means that payment need only be made for the contributions actually allocated to member accounts.

When the convar file is successfully processed, an employer advice file and employer reconciliation report are uploaded within one business day of receiving the convar file.

Only one employer advice is produced for each month. It is produced after the successful processing of the current month's convar file.

### **11.1.2 Rejected files**

If the entire convar file could not be processed due to errors, an email is sent to the employer explaining why the file could not be loaded. The file reject report is not sent to the employer but is uploaded to the website.

Refer to Section 11.1.7 for an example of the errors that can appear on this report.

### **11.1.3 The employer advice file**

Processing the convar file generates an employer advice summarising members whose contributions were credited, leaving them with an additional credit or debit in their contribution payments. In other words, the member has either paid too much or too little and their contributions are out of sync with the contributions due.

An email is sent to the employer advising them that the employer advice is available online and ready to be loaded into the employer payroll system. The employer payroll system adjusts the following month's contributions based on the information on the employer advice. The email confirming the employer advice is available online and is usually sent to the employer within one business day of receiving the convar file.

### **11.1.4 Employer reconciliation report**

The total amount payable to Mercer, on behalf of STC, for member contributions is advised through the employer reconciliation report.

Mercer sends an email to the appropriate employer contact when the convar file has been successfully processed informing the employer that the reconciliation report is available online.

The employer reconciliation report contains all rejected member contributions and variations from the convar file, with reasons for the rejections. The employer would need to investigate these rejections and re-advise where necessary.

The report includes a summary line stating the total values:

- of contributions advised on the convar file
- of contributions rejected from the Mercer SASS system
- payable to Mercer for the contributions allocated to member accounts.

The employer reconciliation report comprises four different line formats:

- Line Type 2 gives details of any rejected contribution data.
- Line Type 3 gives details of any rejected variations.
- Line Type 4 gives a summary total of contributions advised on the convar file, total contributions rejected and total contributions payable to Mercer.
- Line Type 5 states “TOTAL AMOUNT PAYABLE TO MERCER ADMINISTRATION: [\$ amount]”.

The employer reconciliation report will always show Line Type 4 and 5 even where a convar file was processed without any member rejections.

In order to make the report readable, lines of the same type are grouped together. A line of column titles is written before the lines of data for that line type.

Lines of data are identified with the word DATA in column 3. Lines giving column titles are identified with the word COLS in column 3.

Refer to Section 11.1.8 for an example of this file.

In cases where the entire file fails, a file reject report is uploaded instead in the same time frame.

### **11.1.5 File formats and error messages**

All errors on a report include an error number and an error message. The error number uniquely identifies a particular error message. The message text explains the cause of the error. Where possible, the report also gives useful data under the column ‘Error Data’ to explain the error, and a row number to help identify the exact row on the convar file.

Refer to Section 11.1.7 and Section 11.1.9 for further information

### 11.1.6 Convar file format

#### Record type 1: header record

The header record contains the identifier of the employer and the date the file was created.

#### Record layout:

Name	No.	Len	Starting position	Mask	Just	S/m	Validation	Description
CT.REC.TYPE	1	3	1		L		S	Value: HDR (defines the first record as being a header record).
CT.MULTIPAY.PAYROLL.FLAG	2	1	4		L		S	This field is no longer used, therefore ignore any value in this field (ex-Multipay Payroll Flag). Value of 'spaces' indicates the CT.EMPL.CODE field contains normal employer code.
CT.EMPL.CODE	3	7	5		L		S	Employer identification code as defined by SAC.
CT.PAYROLL.BUREAU	4	30	12		L		S	Name of payroll bureau providing this data. Freeform text field used for reporting only (e.g. 'Central Coast').
CT.CTBN.MTH	5	2	42		R		S	The contribution month; format (01-12).
CT.CTBN.YEAR	6	4	44		R		S	The contribution year (e.g. 1993).
CT.CREATE.DATE	7	10	48	D2/	L		S	Date of creation of file, in the format DD/MM/CCYY.
FILLER		89	58					Spaces or blank.

## Record type 2: detail record

The detail record contains the contribution and variation details for a particular member.

### Record layout:

Name	No.	Len	Starting position	Mask	Just	S/m	Validation	Description
CT.REC.TYPE	1	3	1	L	L	S		Value: DTL (defines the following lines to be detail lines).
CT.MR.CODE	2	7	4	L	L	S		The member's SASS superannuation number.
CT.SURNAME	3	20	11	L	L	S		Member's surname.
CT.FIRST.NAME	4	25	31	L	L	S		Member's first name.
CT.PAYROLL.ID	5	10	56	L	L	S		The unique number used by the employer's payroll system to identify the member.
CT.EE.CTBN	6	9	66	MD2	R	S	Right justified and zero filled. When negative, the sign '-' takes the left-most position in this field.	The amount of the employee contribution as calculated by the payroll system (signed value in cents), in the format 9(7)V99.
CT.ER.CTBN	7	9	75	MD2	R	S	Right justified and zero filled. When negative, the sign '-' takes the left-most position in this field.	This value is not supplied and is zero filled. The amount of the employer contribution as calculated by the payroll system (signed value in cents), in the format 9(7)V99.
CT.BB.CTBN	8	9	84	MD2	R	S	Right justified and zero filled. When negative, the sign '-' takes the left-most position in this field.	This value is not supplied and is zero filled. The amount of the Basic Benefit contribution as calculated by the payroll system (signed value in cents), in the format 9(7)V99.

Name	No.	Len	Starting position	Mask	Just	S/m	Validation	Description
CT.ADJ	9	9	93	MD2	R	S	Right justified and zero filled. When negative, the sign '-' takes the left-most position in this field.	The amount by which the employee contribution is being adjusted this period (signed value in cents), in the format 9(7)V99.
CT.VAR.CODE	10	4	102		L	S	Must be one of the following: CIHW, WTDL, RTCH, INVL, RETR, DETH, LWOP, PLWP, PREP, TRIN, TROT, MULT or spaces (in the case of no variation).	Defines a variation to be processed for the member.
CT.FT.SALARY	11	6	106	MD0	R	S	Right justified and zero filled. When negative, the sign '-' takes the left-most position in this field.	The new full-time salary of a member in whole dollars, in the format 9(6).
CT.PT.SALARY	12	6	112	MD0	R	S	Right justified and zero filled. When negative, the sign '-' takes the left-most position in this field.	The new part-time salary of a member in whole dollars, in the format 9(6).
CT.START. DATE	13	10	118	D2/	L	S		The date on which the activity indicated in the variation code commenced, in the format DD/MM/CCYY.
CT.END.DATE	14	10	128	D2/	L	S		The date on which the activity indicated in the variation code ended, in the format DD/MM/CCYY.
CT.VAR	15	9	138	MD2	R	S	Right justified and zero filled. When negative, the sign '-' takes the left-most position in this field.	The arrears/refund outstanding as at the end of the contribution period.

Record type 3: trailer record

File name	1	S	Record type	Severity	Error number	Error message	Error data (examples)	Row No	Action
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	HDR or DTL or TRL	Error	81	Value is not an Integer	B	14	Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	TRL	Error	10277	This field is Required	Total variance – column 50, length 10		
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	HDR or DTL	Error	170009	Invalid Date	36/11/2006	7	Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	HDR or DTL or TRL	Error	170010	Invalid Number	THAT	16	Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	HDR	Error	170011	Zero or more than one Header Record Exists	2		Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	TRL	Error	170012	Zero or more than one Trailer Record Exists	2		Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	TRL	Error	170013	Accumulated Total does not equal Trailer Total	1300.35 != 1400.00, EE contribution – column 10, length 10	150	Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	HDR	Error	170015	Header Record is not first record	4	4	Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	TRL	Error	170016	Trailer Record is not last record	44	44	Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	HDR or DTL or TRL	Error	170027	Outside Allowable Range	99/99/9999	9	Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	HDR or DTL	Error	170031	Invalid Time	99	11	Employer Review
U05011_SAS_D624737_P20050121_V32512353_R1385.dat	1	A	HDR or DTL	Error	172515	Date is not Y2K compliant	14/12/06	6	Employer Review

File name	1	S	Record type	Severity	Error number	Error message	Error data (examples)	Row No	Action
U05011_SAS_D624737_ P20050121_V32512353_R1385.dat	1	A	A	Error	174182	Number of warnings exceeds record count	1100 > 150	18	Employer Review
U05011_SAS_D624737_ P20050121_V32512353_R1385.dat	1	A	A	Error	175041	File is Blank	U05011_SAS_ D624737_ P20050121_ V32512353_R1385. dat		Employer Review
U05011_SAS_D624737_ P20050121_V32512353_R1385.dat	1	A	HDR or DTL or TRL	Error	175083	Invalid Numeric format	YUU	18	Employer Review
U05011_SAS_D624737_ P20050121_V32512353_R1385.dat	1	A	HDR	Error	175456	Invalid Employer Code – Employer not Active	C99999		
U05011_SAS_D624737_ P20050121_V32512353_R1385.dat	1	A	HDR	Error	175457	Invalid Employer Code – Employer not Self Assessing	C99999		
U05011_SAS_D624737_ P20050121_V32512353_R1385.dat	1	A	HDR	Error	175458	Invalid Employer Code – Employer code not found on system	C99999		
U05011_SAS_D624737_ P20050121_V32512353_R1385.dat	1	A	HDR	Error	175469	Invalid Contribution Month	34	1	Employer Review
U05011_SAS_D624737_ P20050121_V32512353_R1385.dat	1	A	HDR	Error	175470	Invalid Contribution Year	1800	1	Employer Review
U05011_SAS_D624737_ P20050121_V32512353_R1385.dat	1	ATA	TRL	Error	175471	Number of Detail Records not equal to Trailer Record Count	122 not equal to 126	150	Employer Review

The trailer record contains the control totals for a particular employer.

Name	No.	Len	Starting position	Mask	Just	S/m	Validation	Description
CT.REC.TYPE	1	3	1	L	S		TRL	Value: TRL (defines the record as a trailer or the last record in the file).
CT.TOT.RECS	2	6	4	R	S		Right justified and zero filled.	Total number of member detail records in the format 9(6).
CT.TOT.EE.CTBN	3	10	10	MD2	R	S	Right justified and zero filled.	The sum of all absolute values of employee contributions for this employer in cents, in the format 9(8) V99.
CT.TOT.ER.CTBN	4	10	20	MD2	R	S	Right justified and zero filled.	The sum of all absolute values of employer contributions for this employer in cents, in the format 9(8) V99.
CT.TOT.BB.CTBN	5	10	30	MD2	R	S	Right justified and zero filled.	The sum of all absolute values of Basic Benefit contributions for this employer in cents, in the format 9(8) V99.
CT.TOT.ADJ	6	10	40	MD2	R	S	Right justified and zero filled.	The sum of all absolute values of adjustment amounts for this employer in cents, in the format 9(8) V99.
CT.TOT.VAR	7	10	50	MD2				Obsolete – ignore any value. May be blank.
FILLER		87	60					Blank or spaces.

### 11.1.7 File reject report

#### Example of errors on a file reject report

The following errors can potentially appear on the file reject report.

Error number	Error message	Error data	Example error data	Reason for error
81	Value is not an integer	Problem integer or small integer value	Y	A non-integer character was found where an integer was expected. Ensure file data has not been accidentally displaced.
10277	This Field is Required	Field name – column 99, length 99	Total variance, column 50, length 10	A compulsory field is missing. The actual field name and position is given in Error data.
170010	Invalid Number	Problem decimal/number/currency value	X	A non-numeric value was found where a number was expected. Ensure file data has not been accidentally displaced.
170011	Zero or more than one Header Record Exists	Number of header records found	2	An incorrect number of HDR records were found. The total number of HDR records must equal 1.
170012	Zero or more than one Trailer Record Exists	Number of trailer records found	2	The total number of TRL records was not equal to 1. Each Convar file must have only 1 TRL record.
170013	Accumulated Total does not equal Trailer Total	Trailer total amount not equal to file total amount	13000.00 != 14000.65 EE contribution – column 10, length 10	A total on the trailer record does not equal the accumulation of the corresponding amount on the DTL records. The column number of the problem total on the trailer record is given in Error data.
175456	Invalid Employer Code – Employer not Active	Employer code	C99999	The employer code specified on the Convar header record is closed or terminated on the Mercer system.
175457	Invalid Employer Code – Employer not Self Assessing	Employer code	C99999	The employer code specified on the Convar header record is not a self-assessing employer
175458	Invalid Employer Code – Employer Code not found on System	Employer code	C99999	The employer code specified on the Convar header does not exist on the Mercer SASS system.

Error number	Error message	Error data	Example error data	Reason for error
175041	File is Blank	File name	U99999_SAS_D4567_ P20060326_V656_ R456.DAT	Convar file submitted to Mercer did not contain any records.
172515	Date is not Y2K compliant	Problem date	01/04/06	A date expected to be in DD/MM/CCYY format was found to be less than 10 characters in length.
170009	Invalid Date	Problem date	35/04/2006	A date was found to be incorrect. Here, for example, a day of the month has been specified as 35 which is impossible.
170031	Invalid Time	Problem time	27:30	A value defined as 'time' has incorrect time data.
170027	Outside Allowable Range	Problem date, problem character, problem numeric value	9	Where the file format specifies a valid range for a field, the value in the field was found to be beyond this range. For example, where the file format specifies a range of 1-8, a 9 was found in this field
175083	Invalid Numeric format	Problem decimal value	9.999	A decimal value had an incorrect number of decimal places. For example, the file format specified a decimal with two decimal places and the Convar file has given three.
175469	Invalid Contribution Month	Contribution month	13	The contribution month specified in the HDR is either less than 1 or greater than 12 (i.e. it is an invalid month). Ensure the file contains the correct contribution month.
175470	Invalid Contribution Year	Contribution year	1700	The contribution year supplied on the HDR record is less than 1,800. Ensure the file contains the correct contribution year.
170015	Header Record is not first record	Row number of header record	4	The row number of the HDR record was not 1. The HDR record must be on row 1.
170016	Trailer Record is not last record	Row number of trailer record	13	More records were found following the TRL record. The TRL record must be the last record on the file
175471	Number of Detail Records not equal to Trailer Record Count	Body count not equal to trailer count	580 not equal to 586	The trailer gives a total number of DTL records on the file. This total has been found to be different from the actual number of DTL records on the file.

Error number	Error message	Error data	Example error data	Reason for error
174182	Number of warnings exceeds record count	Warning count is more than record count	1 100>580	There were more warning messages reported than number of records on the file. Investigate why so many warnings were issued.
172113	Invalid or Terminated Employer	Employer code	C99999	Employer code supplied on the header record is either not on the Mercer SASS system or no longer active.
170072	Not a Self Assessment Employer	Employer type	Billing	Employer code supplied on the header record is defined on the Mercer SASS system as a billing employer
170075	Invalid Employer Status	Employer status	Closed	Employer code supplied on the header record is not in an appropriate status to send in a contribution file (i.e. it is not an active employer).

11.1.8 Employer reconciliation report format

Filename	2	COLS	Record type	Member number	Surname	Given name	Payroll ID	Severity	Error number	Error message	Error code	Row no.	Post Tax CTBN	Pre Tax CTBN	Pre Tax ADJ	EMP VARIANCE	TOTAL CTB	Action	
9.DAT	2	DATA	DTL	6567878	BLOGGS	JOE	6545	Error	500203	Invalid Membership Number	6567878	3	100.00	50.00	0	0	150.00	Employer review	
U99.DAT	2	DATA	DTL	6754567	SMITH	ALAN	53423	Error	170071	Surname and Payroll do not match	SMITH-LEE 65456	4	200.00	0	305.25	0	200.00	Employer review	
Filename	3	COLS	Record type	Member number	Surname	Given name	Payroll ID	Severity	Error number	Error Message	Error code	Row No	VAR	FT salary	PT salary	Start Date	End date	Action	
U99.DAT	3	DATA	DTL	5436654	SMITH	JOAN	4324	Error	175494	F/T Salary required		23	CHW		34000		1/4/2006	Employer review	
U99.DAT	3	DATA	DTL	6487898	BAKER	JANE	54567	Error	172374	LWOP period not greater than 5 days		30	LWOP	45000	26000		1/1/2006	Employer review	
Filename	4	COLS	Total CTB on file	CTB rejected	CTB payable														
U99.DAT	4	DATA	15000.00	5000.00	10000.00														
TOTAL AMOUNT PAYABLE TO MERCER ADMINISTRATION: \$ 10000.00																			

## 11.1.9 Example of errors on an employer reconciliation report

These error messages appear on Line Type 2 – Rejection of member contribution.

This line type reports on any errors resulting in the rejection of contribution data for that member.

Error number	Error message	Error data	Example error data	Reason for error
10221	Invalid Membership Number	Member number	6766678	The member number supplied on the Convar file is not on the Mercer SASS system.
170071	Surname and Payroll Number do not match	Surname/ payroll number	BLOGGS 4567	Surname and payroll ID on Mercer SASS system is different from the employer payroll system. At least one of these must match for Mercer SASS to accept contribution or variation data.
170024	Invalid Member Status	Member status	Exited	Error data gives the member's status on the Mercer SASS system. Mercer can only accept contributions for current members. The member is rejected because they are not current on the Mercer SASS system.
175486	Member currently attached to Employer 'employer code – employer name', for example <i>Member currently attached to Employer 'C999999 – Dept. Of Health Services.</i>	Employer code	A10000	The member is attached to a different employer on the Mercer SASS system than the employer advising the contribution/variation details. The error data gives the employer code submitting the contribution/variation data. The error message indicates which employer the member is attached to on the Mercer SASS system.

These error messages can occur on Line Type 3 – Rejection of member variation.

This line type reports on any errors resulting in the rejection of variation data for that member.

Variation type	Variation code	Full-time salary	Part-time salary	Start date	End date
No variation	(spaces)				
Transfer in	TRIN				
Transfer out	TROT				
Exit – withdrawal	WTDL				
Exit – retrenchment	RTCH				
Exit – invalidity	INVL				
Exit – retirement	RETR				
Exit – death	DETH				
Leave without pay	LWOP				
Prescribed leave without pay	PLWP				
Change in hours worked	CIHW				
Prepayment	PREP				

- KEY**
- The field is mandatory.
  - The field is optional but should be provided if known.
  - The field is not required and will be ignored if provided.

## 12 EMPLOYER RESERVE ACCOUNTS AND ONCOSTS

### 12.1 Employer reserve accounts

Mercer does not store SASS employer contributions on an individual member basis. Employer contributions are credited to reserve accounts maintained by Mercer, on behalf of STC. Employers are classified as either:

- Part 1 – the Crown and other employers
- Part 2 – local government and other authorities
- Part 3 – public health organisations.

**Note:** The *Local Government and Energy Employer Order 2002* relocated all Part 2 employers to Part 1.

Each employer in Part 1 has a separate reserve. There is a single reserve for all Part 3 employers.

Legislation requires that most employers make a monthly payment to fund this reserve. However, many employers pay at a higher rate than specified on the invoice and some fully fund their liabilities, either voluntarily or because it is required by the legislation.

The employer's contributions are adjusted to take into account periods of LWOP and changes in the number of hours worked by individual employees.

#### **Adjustment of reserve accounts**

Employer reserve accounts are adjusted for investment earnings, taxation and administration costs, and the amount of paid benefits.

## Example of a Reserve Account Statement

SA SS1998E	SASS RESERVE ACCOUNT STATEMENT		Date Produced: 26/02/2013
For the month of January 2013			
Employer Code:			
Pooled Reserves	SASS Employer Reserve	Basic Benefit Reserve	Total
Opening Balance 1/2013	95,425,273.15	46,718,325.13	142,143,158.28
Combined Received	595,744.20	116,719.34	712,463.54
Manual Adjustment	0.00	0.00	0.00
Monthly Investment Earnings	1,836,002.42	899,287.90	2,735,290.32
Management Charge	-19,624.80	0.00	-19,624.80
Emerged Benefits Earnings	-20,668.58	0.00	-20,668.58
Transfer from Employer	0.00	0.00	0.00
Transfer to Employer	0.00	0.00	0.00
Transfer LG/EI	0.00	0.00	0.00
Reserve Adjustment	33,403.17	0.00	33,403.17
Extra-ordinary Receipts	0.00	0.00	0.00
Extra-ordinary Payment	0.00	0.00	0.00
Foregone Benefit	0.00	0.00	0.00
Income Tax Allocation	0.00	0.00	0.00
Surcharge Tax Allocation	0.00	0.00	0.00
Paid - Withdrawals	0.00	0.00	0.00
Paid - Retrenchments	0.00	0.00	0.00
Paid - Retirements	-468,431.56	-71,759.68	-540,191.24
Paid - Death	0.00	0.00	0.00
Paid - Invalidity	0.00	0.00	0.00
Paid - Additional Benefits	0.00	0.00	0.00
Paid - Reversals	0.00	0.00	0.00
Pension Payments	-188,864.84	0.00	-188,864.84
Pension Payments Reversed	775.16	0.00	775.16
Pension Transfer	249,992.24	0.00	249,992.24
Pension Transfer Reversal	0.00	0.00	0.00
Other Adjustments	0.00	0.00	0.00
<b>Closing Balance 1/2013</b>	<b>97,513,600.56</b>	<b>47,662,572.69</b>	<b>145,176,173.25</b>

The entries which appear on the reserve account statement, and an explanation of the terms used, are detailed below.

Statement entry	Description
Opening Balance	Month's opening balance
Contributions Received	Money Paid by Employer via invoices raised
Manual Adjustment	SASS Specific - no longer used
Monthly Investment Earnings	Monthly distribution to employers
Management Charge	Amount charged to employers based on member head count
Emerged Benefit Earnings	Charge to Employer of benefit to date of payment
Trans from Employer	Employer Portion debiting the reserve when a member transfers out of the code
Transf To Employer	Employer Portion crediting the reserve when a member transfer into the code
Transfer LG/EI	Transfers to from Local Government/Energy
Reserve Adjustment	SASS Specific to do corrections of all types of transactions including Death and Disability & STC Fund Transfers between schemes
Extraordinary Receipt	Additional money paid by employers outside the invoicing system – such as Executive On Cost, Deficiency in Reserves, Top Up Payments by Employers
Extraordinary Payment	Refunds to employers
Income Tax Allocation	15% approx charge to Employer Reserves on Money Paid
Surcharge Tax	Charge to Employer of above CAP for the surcharge levy payable
Paid-Withdrawals	Exit type - member generally goes to Deferred Benefits
Paid-Retrenchment	Exit type
Paid-Retirement	Exit type
Paid-Death	Exit type
Paid-Invalidity	Exit type
Paid-Additional Benefit	Employer Portion of the Additional Benefits Charge - SASS Specific
Paid-Reversals	Adjustment Item
Pension Payments	Fortnightly pension charge
Pension Payment Reversal	Adjustment item
Pension Transfer	Transfer of the calculated pension entitlement of the Employer
Pension Transfer Reversal	Adjustment item
Other Adjustments	SASS Specific - to adjust transactions
Foregone Benefit	SASS Specific
Closing Balance	Balance available to pay future benefits

### Deficiencies in funding

Any deficiencies in funding must be met by the employer or by the consolidated fund as appropriate. Benefits can only be paid when there is money in the employer's reserve sufficient to meet the benefit.

### Funding holiday requests

STC reviews employer reserves and liabilities each June and December and decide if contribution rates should be increased or decreased, or if an employer should be given a contribution holiday. Employers can request STC to look at their position; however, it is not necessary given STC's review of the unfunded liabilities. Employers should also consider any relevant Treasury Circulars.

A statement of employer reserves (the rolled up billing system, or 'RUBS' account) is sent to Part 1 employers (when employer contributions are not paid by NSW Treasury) periodically.

**Note:** Funding holidays do not apply to Executive employees. Where an employer has been granted a 'funding holiday', superannuation deductions must continue to be made on behalf of Executive employees.

## 12.2 Employer merge

The need to merge accounts may occur as a result of a government initiative, or can be requested if an employer has multiple cost centres and wishes to consolidate them. Employers must be of the same 'Part' classification. The merge occurs at the beginning of the month following processing. Employers wishing to merge accounts at a specified date therefore need to provide advance notice. All employers must be as set out in the schedules to the scheme Acts.

## 12.3 Employer oncost

SASS members employed under contracts may be charged an employer on-cost which is deducted from their Total Remuneration Package (TRP). These members will be employed in Public Service Senior Executive bands, or under some other form of employment contract.

### Executives employed in Public Service Senior Executive bands

SASS members employed in Public Service Senior Executive bands are required to bear the employer liability for superannuation from their TRP. An employer on-cost is calculated which includes the SASS and basic benefit components.

For a Public Service Senior Executive or a Police Service Executive the employer on-cost is deducted from the TRP to arrive at the Maximum Nominated Salary, which is the maximum salary that the officer can nominate as their superable salary. This must be done within one month of their appointment to a Public Service Senior Executive or Police Service Executive position.

For a SASS member who is a Health Service Senior Executive or a Transport Service Senior Executive they are also required to pay the employer on-cost but cannot nominate their superable salary as their salary is determined in the same manner as a standard SASS member - see section 5.1.

### Other contracts of employment

When a non Public Service Senior Executive band contract employee commences employment their employer must decide whether they will be required to pay the cost of the employer's contributions to SASS from their salary package. If so, the employer may choose to charge the amount set down for Public Service Senior Executive band officers, which has been actuarially determined as representing the cost to the employer over the membership. Alternatively the employer may charge an alternative amount they deem as representing their costs.

Employer on-cost payments made by Treasury funded employers are not invoiced. These are sent as an extraordinary receipt on a monthly basis.

Any on-cost amount which is in excess of what Mercer has billed can either be held by the employer or forwarded to Mercer. Any pre-tax contributions paid to Mercer that are in excess of the normal billed employer contributions should be paid as 'extraordinary' payments to the employer reserve.

#### **12.3.1 Employer on-cost percentage**

In order to calculate the amount of an employee's Public Service Senior Executive band superannuation on-cost an individual member's on-cost percentage is required. This percentage is available by contacting Mercer and should be requested before calculating the salary component of the employee's employment package.

The employer on-cost percentage is a multiple of the member's SASS personal contribution percentage and depends on whether the member is a standard SASS member or an ex-SPSSF member. It also includes an amount to cover the cost of the basic benefit and the additional benefit cover if the member is covered for it.

A member's on-cost percentage will change if the member elects to change their percentage contribution to the scheme. However, after the initial nomination of salary for superannuation purposes (generally maximum nominated salary), it cannot be increased by a percentage rate greater than any increase in the Total Remuneration Package during the term of the contract. The on-cost percentage is 2% for every one percent contributed for a standard SASS member or 2.5% for ex members of the SPSSF, plus 2.5% for the basic benefit, plus if the member is covered for the additional benefit cover, three times the cost of the annual personal levy. Once the member has accrued 180 maximum available benefit points the on-cost reduces to 2.5% which is the ongoing cost of the basic benefit. This percentage is deducted from the TRP using the formula listed below.

The formula to calculate the maximum nominated superable salary is:

$$\text{MAX} = \text{T} - \text{S} \text{ divided by } (1.025 + \text{C})$$

T = the total remuneration package

S = any other employer oncost superannuation arrangement (which in most cases will be nil).

C = the package on-cost value.

Further information can be found on the STC Fact Sheet 8: *Calculation of Superable Salary and Oncost Liability and Membership Options for Public Service Senior Executives and Police Service Executives*.

## 13 MEMBER SEMINARS

STC runs member seminars on a regular basis. Invitations are automatically issued to members. Members can request information about the seminars by emailing [seminars@statesuper.nsw.gov.au](mailto:seminars@statesuper.nsw.gov.au) or by visiting the State Super website.

State Super seminars are presented by Aware Super financial planners on behalf of State Super. Aware Super financial planners are specifically trained on all aspects of the SASS scheme, so they may assist members to understand how to maximise their superannuation and plan for the future.

### **Note regarding the seminars:**

State Super has selected Aware Super to run seminars on its behalf, because their financial planners have in-depth product, technical and financial planning knowledge relating to all STC schemes.

Aware Financial Services Australia Limited (Aware Financial Services) (ABN 86 003 742 756) holds an Australian Financial Services Licence (AFSL number 238430) and is able to provide you with financial product advice. Aware Financial Services is owned by Aware Super Pty Ltd as trustee of Aware Super.

State Super does not pay fees to, nor receives any commissions from Aware Financial Services for financial planning and member seminar services provided to State Super members.

Neither State Super nor the New South Wales Government take any responsibility for the services offered by Aware Financial Services and its related entities, nor do they guarantee the performance of any service or product provided by Aware Financial Services and its related entities.

## More information

If you need more information, please contact us:

<b>Telephone:</b>	1300 142 708 8.30 am to 5.30 pm, Monday to Friday.
<b>Postal address:</b>	State Super, GPO Box 2181, Melbourne VIC 3001
<b>Internet:</b>	<a href="http://www.statesuper.nsw.gov.au">www.statesuper.nsw.gov.au</a>
<b>Email:</b>	<a href="mailto:STC_Employer@mercero.com">STC_Employer@mercero.com</a>

## Important numbers

ABN: 29 239 066 746

### Unique Superannuation Identifier (USI)

SASS:	29 239 066 746 001
SANCS:	29 239 066 746 001
SSS:	29 239 066 746 003
PSS:	29 239 066 746 002
Deferred Benefits:	29 239 066 746 004
Pensions:	29 239 066 746 006

### Superannuation Product Identification Number (SPIN)

SASS:	SAS0102AU
SSS:	SAS0100AU
PSS:	SAS0101AU