

# Overview of the State Authorities Superannuation Scheme (SASS)

## SASS provides a range of superannuation benefits payable on:

- retirement
- invalidity
- death
- resignation, discharge, dismissal
- retrenchment

SASS gives you the flexibility to plan your membership to suit your needs. You choose:

- how much you wish to contribute (between 1% and 9% of salary), and you can change that rate each year,
- the investment strategy in which your contributions are to be invested,
- whether to apply for additional invalidity and death cover,
- if you resign or you are dismissed, discharged or retrenched, whether to take a cash benefit immediately or to defer your benefit in the scheme to be payable later:
  - on or after retirement, or
  - total and permanent invalidity, or
  - death.

Deferring your benefit on resignation, discharge or dismissal may result in a higher benefit as it includes most of the employer-financed component of your benefit.

Commonwealth provisions generally require part of your superannuation benefit to be preserved until you reach age 65, cease employment from age 60, or retire from the workforce at or after your *preservation age* (between 55 and 60). Your preserved component is also immediately payable if you are permanently incapacitated or die. For more information about the compulsory preservation rules, see STC Fact Sheet 4: *When can I be paid my superannuation benefits?* and the Annual Statement we send you toward the end of each year.

SASS benefits come in up to five parts:

1. Your **contributor-financed benefit**, which is an accumulation of your personal contributions and investment earnings, less management charges.
2. Your **employer-financed benefit**, which is a defined benefit of up to 4.5 times your final average salary at retirement depending on your length of membership and rate of personal contributions to SASS during your membership. (The maximum employer-financed benefit is payable after 30 years membership, over which time the average annual contribution rate was 6%.)
3. Your **basic benefit**, which is a defined benefit of up to 3% of your final average salary (or final salary in some circumstances) for each year of service from 1 April 1988.

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

STC has published this fact sheet. STC is not licenced to provide financial product advice in relation to the STC schemes or to their members.

Reasonable care has been taken in producing the information in this fact sheet and nothing in it is intended to be or should be regarded as personal advice. If there is any inconsistency between the information in this fact sheet and the relevant scheme legislation, the scheme legislation will prevail. In preparing this fact sheet, STC has not taken into account your objectives, financial situation or needs. You should consider your personal circumstances, and possibly seek professional advice, before making any decision that affects your future.

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

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

You will need to settle any contributions surcharge tax applicable to your account before a benefit can be paid.

### Superannuation guarantee shortfall

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

**Note:** The features of SASS detailed in this Fact Sheet are the standard features as set out in the scheme's governing legislation. There are some variations to those standard features for certain members who transferred into SASS from earlier closed schemes. These variations include a different retirement age and employer-financed benefit value, and the availability of a pension option. Your own entitlements are detailed in the SASS Annual Statement we send you towards the end of each year.

### Contributions taxes

The benefit values described in this Fact Sheet are before tax amounts. Since 1 July 1988, Commonwealth tax at the rate of 15% has been payable on employer contributions. As a result, employer-financed benefits paid for service from

1 July 1988 have been reduced by 15%. However, the benefit reduction is offset by lower personal taxation payable when you receive the benefit. The amounts shown in the annual statement we send you each year are calculated after the benefit reduction has been applied.

Before payment, the benefit calculated will also be reduced, if appropriate, by any contributions surcharge tax debt, or benefit amounts already paid to you on financial hardship or compassionate grounds.

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

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

### Fact sheets about related topics:

SASS Fact Sheet 5: *Retirement Benefit*

SASS Fact Sheet 7: *Invalidity Retirement Benefit*

SASS Fact Sheet 8: *Death Benefit*

SASS Fact Sheet 9: *Retrenchment Benefit*

SASS Fact Sheet 10: *Resignation (Withdrawal) Benefit*

SASS Fact Sheet 13: *Optional Deferred Benefit*

STC Fact Sheet 3: *Taxation*

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

STC Fact Sheet 10: *Basic Benefit*

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

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

### More information

If you need more information, please contact us:

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