

Retiring or Resigning?

What you need to know for Payment of your Benefit

This fact sheet explains the process and information needed by Mercer (the scheme administrator) before either an age retirement benefit or a resignation benefit can be paid.

The information is applicable to members of the State Authorities Superannuation Scheme (SASS), State Superannuation Scheme (SSS), Police Superannuation Scheme (PSS) and the State Authorities Non-contributory Superannuation Scheme (SANCS).

This fact sheet only covers exiting your scheme by either:

- retiring on the grounds of age, or
- resigning.

For information about invalidity retirements, see the relevant fact sheet on the web or call Customer Service (see contact details on the last page).

If you are retiring, please safeguard yourself by ensuring that you have enough money on hand to live on for a few weeks while your benefit payment or pension is processed.

When can I be paid all of my superannuation benefits?

Commonwealth provisions generally require part of your superannuation benefit to be preserved (i.e. kept in the superannuation system) until you satisfy a condition of release:

- you cease an employment arrangement from age 60,
- you retire from the workforce at or after your preservation age (see the *Commonwealth Preservation Age* table in the next column),
- you reach age 65, even if you continue to work,

- you suffer from a terminal medical condition,
- you become permanently incapacitated or die, or
- you meet the criteria for the benefit to be released on financial hardship or specified compassionate grounds (see STC Fact Sheets 2 and 6 *Early release of benefits on severe financial hardship or compassionate grounds*).

Note: For members of PSS, the above conditions of release apply only to your SANCS entitlement.

These standards *do not* involve a reduction in your benefits.

The standards do not affect the age at which you are entitled to a retirement benefit (i.e. 55 or 58 in SASS and from 55 in SSS and PSS) — *although you may not be able to receive the full amount of your benefits at that time.*

Commonwealth preservation age

Your preservation age depends on when you were born. If you were born before 1 July 1960 your preservation age is 55 years. Your preservation age will be between 56 and 59 if you were born between 1 July 1960 and 30 June 1964, as shown in the table below. If you were born after 30 June 1964 your preservation age is 60 years.

| Date of birth | Preservation age | Year preservation age reached |
|------------------------------------|------------------|-------------------------------|
| Before 1 July 1960 | 55 years | 2014/15 and earlier |
| Between 1 July 1960 & 30 June 1961 | 56 years | 2016/17 |
| Between 1 July 1961 & 30 June 1962 | 57 years | 2018/19 |
| Between 1 July 1962 & 30 June 1963 | 58 years | 2020/21 |
| Between 1 July 1963 & 30 June 1964 | 59 years | 2022/23 |
| After 30 June 1964 | 60 years | 2024/25 |

The SAS Trustee Corporation (STC) is administered by Mercer Administration Services (Australia) Pty Ltd on behalf of the 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.

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For more information on this issue, see STC Fact Sheet 4 *When can I be paid my superannuation benefits.*

Information State Super needs to have to process your payment

Mercer needs to have the following documents to process a retirement claim:

- Application from you — fully and accurately completed. See form details and handy hints (below).
- Tax file number from you.
- Certified proof of your identity and age provided by you.
- Employer's advice that you have ceased employment.
- Between ages 55 – 60: release of all of a benefit is generally subject to confirmation that you have retired permanently from the workforce. Please check your Annual Statement for information about the Commonwealth preservation requirements.
- Between ages 60 – 65: advice would be required that you are leaving or changing employment.

Handy hints for members

Retirement is a major milestone in life. It is important to plan effectively for retirement. You may benefit by seeing your financial adviser at least a year before the date you plan to retire. Don't wait until the last minute!

Completing your *Application for payment of a benefit* form:

- If you are seeking the advice of a financial adviser, it is best to do so before completing the form and sending it in. Changes to payment instructions can delay processing.
- Answer all relevant questions.
- Supply accurate bank details e.g. correct BSB and account number. If opening a new account, make sure the account is *open* before sending the form in.
- Supply full and correct name of a rollover fund (including the fund's Unique Superannuation Identifier (USI) (not applicable for transfers to SMSF's), not just the name of the organisation, as often they have multiple investment products. Make sure your account within that product has been opened.
- If you are rolling over your benefit to a SMSF, you will need to provide a copy of a bank statement for the SMSF and an Electronic Service Address (ESA). An ESA can be obtained from from an SMSF messaging provider or through your SMSF intermediary such as SMSF administrator, tax agent, accountant or some banks.
- Understand the difference between a rollover to another fund, and deferring your benefit in State Super.

- Understand that we cannot pay a cash benefit to a third party. It must be paid to you.
- Please check your application before sending to ensure you have included all details required by Mercer to process your benefit. Information required but not supplied can delay the processing of your application.
- If you have a surcharge debt, please provide instructions for payment.

Tax file number

If you have not already supplied us with your Tax File Number (TFN), you should consider doing so now, before your benefit is paid out or rolled over. You do not have to supply your TFN, but if you don't supply it:

- Pay As You Go (PAYG) tax may be deducted from the taxable component of your benefit at a higher rate than is otherwise necessary. (Any additional tax that is initially deducted may be refunded by the Australian Taxation Office when they assess your next tax return).
- the fund is liable to pay additional income tax on assessable contributions (such as employer and salary sacrifice contributions) on top of the 15% contributions tax already paid. This additional tax is payable by a member when exiting the scheme.

For additional information, please refer to the Important information about your Tax File Number (TFN) section of STC Form 204: *Tax File Number collection* referred to below.

The Member services area of the website and your last statement shows if your TFN has been supplied. If not, then it can be supplied via the Member area of the website or by contacting Customer Service and following the prompts. Alternatively, you can complete STC Form 204: *Tax File Number collection* which can be downloaded from our website www.statesuper.nsw.gov.au or is available from Customer Service.

Proof of identity and age

You will need to provide certified documentation or electronic verification information with your application form to prove that you are the person to whom the superannuation entitlements belong.

The following certified documents must be provided with your application form (unless you provide information that allows us to verify your identity documents electronically):

Either

One of the following certified documents:

- Current Australian State or Territory drivers licence containing a photograph of the person, or
- Australian Passport, or
- Current card issued under a State or Territory law for the purpose of providing a person's age containing a photograph of the person, or
- Current foreign passport or similar travel document containing a photograph and the signature of the person*

OR

One certified document from each of the following groups:

Group 1

- An Australian birth certificate or birth extract issued by a State or Territory
- Citizenship certificate issued by the Commonwealth
- Current pension card issued by Centrelink that entitles the person to financial benefits

Group 2

- Notice issued by the Commonwealth or a State or Territory government within the preceding 12 months that records the provision of financial benefits to you, i.e., a letter from Centrelink.
- Notice issued by the Australian Taxation Office within the past twelve months that contains your name and residential address and records an amount payable to or by you, i.e., your last tax assessment.
- Notice issued by a local government body or utilities provider within the past three months showing the provision of services to you and your current residential address, i.e., water, gas or electricity bill, rates notice.

*Documents not written in English must be accompanied by an English translation prepared by an accredited translator.

*Certified means that all copied pages of original proof of identity documents or change of name documents have been certified as true copies by an individual approved to do so. Persons who are authorised to certify documents must sight the original and the copies and make sure both documents are identical, then make sure that all copies are certified as true copies by writing or stamping 'certified true copy' followed by the individual's signature, printed name, qualification and date.

A list of persons who are eligible to certify copies of original documents can be found on the relevant application form.

Deferred benefits

Upon exit from employment, you become entitled to both a scheme contributory benefit and the SANCS benefit. The SANCS benefit is made up of the basic benefit and, if eligible, the additional employer contribution (AEC) account and any Commonwealth Government contributions.

At that time, you may leave both benefits in the relevant scheme as deferred benefits. You can apply to have deferred benefits paid out of the scheme at any time, either by rollover to another superannuation fund or, subject to meeting a relevant condition of release, directly to yourself.

Under legislation, it is not possible to have a scheme contributory benefit paid out of the scheme and leave just the SANCS benefit deferred. When the scheme contributory benefit is paid out, the SANCS benefit must be transferred to a complying superannuation fund.

Always follow up — make sure your payment is progressing

Check that:

- Mercer has received your forms and the forms from your employer.
- A payment sent to your bank or rollover fund actually reaches its destination.

All organisations try to maintain best practice standards — but it's wise to follow up! That way, you can be sure your payment application is progressing and payment will be made promptly.

Important tax information

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

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

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

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

Pre-retirement or resignation – working out my needs

When can I retire?

See fact sheets:

SASS Fact Sheet 5 *Retirement benefit.*

SSS Fact Sheet 7 *Normal retirement benefit*, SSS Fact Sheet 8 *Early voluntary retirement benefit.*

PSS Fact Sheet 3 *Benefits on normal retirement*, PSS Fact Sheet 4 *Benefits on early voluntary retirement.*

What can I be paid if I resign?

See fact sheets:

SASS Fact Sheet 10 *Resignation (withdrawal) benefit.*

SSS Fact Sheet 15 *Resignation (withdrawal) benefit.*

PSS Fact Sheet 7 *Resignation/Dismissal benefit and voluntary benefit deferral.*

How much will my age retirement or resignation benefit be?

SASS members – see a quote on the web

SSS and PSS members – request a quote on the web

All members – see your last Annual Statement

All members – ring to attend a pre-retirement seminar or to request a quote

Contact Centrelink regarding Commonwealth benefits

Call 132 300

Think about which option is for you

If you don't understand your benefit, call for a free personal interview with your scheme, then obtain financial planning advice.

The retirement or resignation process

How do I inform my employer about my retirement or resignation?

Write to your employer informing them of your intention to retire or resign, and the date you plan to retire or resign. You should also check with your employer to see what is required.

What happens with my next income tax return?

SSS members – if you choose a Lifetime Pension – State Super will send you an Income Stream Payment Summary which will provide information to be included in your annual income tax return. When your pension commences, we will provide you with an Income Stream Schedule for Centrelink purposes. In September each year, you will be advised of any Consumer Price Index increases to your pension.

All schemes – Lump Sum – any amounts received after age 60 are tax free and are not required to be included in your tax return. For amounts received prior to age 60, State Super will send you a Superannuation Lump Sum Payment Summary which will provide information to be included in your next income tax return.

More information

If you need more information, please contact us:

Telephone: **SASS** 1300 130 095 **SSS** 1300 130 096 **PSS** 1300 130 097 **Deferred Benefits** 1300 130 094
8.30 am to 5.30 pm, Monday to Friday.

Personal interviews: Please phone to make an appointment.

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

Internet: www.statesuper.nsw.gov.au

Email: enquiries@stc.nsw.gov.au