

## Contributions and Benefits up to Age 70

You may continue to accrue benefits in SSS between the ages of 65 and 70, provided you continue to be employed by a scheme employer. However, after you reach age 65, you can choose to exit from SSS and begin to be paid your SSS pension, even though you continue to work. You can also choose to commute all or part of your pension into a lump sum and have the lump sum paid to you.

You also have an additional option of commuting all or part of your pension to a lump sum and deferring the whole amount of that lump sum in SSS. If you elect to do this, the deferred benefit will be adjusted for interest at the Fund Earning Rate. This deferred benefit can be paid to you at any time when you make an application, but it is also subject to the compulsory benefit payment rules mentioned later in this Fact Sheet.

You should note that you cannot elect to be paid the withdrawal benefit unless you cease employment with your scheme employer prior to age 70.

If you do continue to work and contribute to SSS after reaching age 65, it is **important to note** that while your scheme benefits would increase in response to any increases in your salary (and your service in the case of the basic benefit), a progressive reduction in the commutation factor from age 65 means that your potential lump sum benefit may be less.

This may be relevant if you were planning to commute (exchange) all or part of your pension entitlement to a lump sum. Refer to SSS Fact Sheet 14: *Exchanging your pension for a lump sum* for more information.

If you do exit from your current scheme before retirement, your employer will still be required under Commonwealth legislation to pay superannuation guarantee contributions to a scheme on your behalf. The current level of these contributions is 11% of salary, and these will be paid to another complying superannuation fund of your choice.

Once you reach age 70 no more contributions can be accepted by SSS and benefits stop accruing. If you remain an employee at age 70 you must be paid any pension that you would be entitled to if you retired at that age. You also have the option to commute all or part of that pension to a lump sum and defer the lump sum within the scheme if you continue to work a minimum of 30 hours each week. The scheme legislation does not allow the withdrawal benefit to be paid if you have not ceased employment prior to age 70. At age 70 you do not have the option of taking a withdrawal (resignation) benefit instead of the normal retirement benefit.

### Compulsory benefit payment

If you elect between the ages of 65 and 70 to commute all or part of your pension to a lump sum and defer that lump sum in SSS, your deferred benefit must be paid to you if you cease working a minimum number of hours per week. The scheme rules provide that compulsory payment of a deferred benefit must be made where a SSS member:

- is aged between 65-70 and has stopped work altogether or is working less than 10 hours each week; or
- is aged 70 or over and has stopped work altogether or is working less than 30 hours each week.

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.



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## More information

If you need more information, please contact us:

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