APRIL 2024

SuperVIEWS

Keeping members super informed

SASS
State Authorities Superannuation Scheme

SSS
State Superannuation Scheme

PSS
Police Superannuation Scheme

also inside...

STATE SUPER
SAS Trustee Corporation

STATE SUPER UPDATE

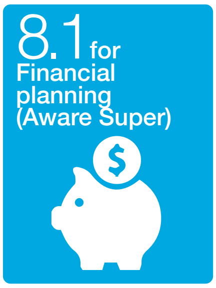
Keeping you informed on the latest news and updates at State Super

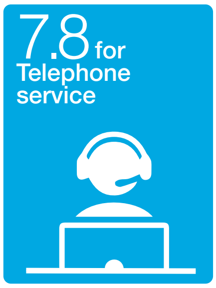
ANNUAL MEMBER SATISFACTION SURVEY RESULTS ARE IN

We would like to thank all our members who provided feedback as part of our 2023 Annual Member Satisfaction survey, which was conducted in December last year.

We received positive results in many important areas of service delivery and were able to compare our scores with industry standards. We measure member satisfaction with investment performance, telephone service, interview service, communication, website, seminars and financial planning.

You rated us highest for:





This annual research, together with the comments and insights that we receive from our members, has become an integral part of our future planning and will help us continue to identify ways to improve the services we provide to you.

GET IN TOUCH

We also welcome your feedback at any time via our online form at **www.statesuper.nsw.gov.au/contact-us**

Are you wanting to receive your State Super benefit soon?

SASS Members can choose to receive all of your benefit after you reach age 58, providing you resign from the NSW Public sector **and meet a Commonwealth condition of release.**

You can -

- receive some or all of your benefit in cash (where eligible) and roll over any balance to another approved superannuation fund.
- roll over all of your benefit to another approved superannuation fund until you reach age 60, at which time the entire benefit becomes tax-free.

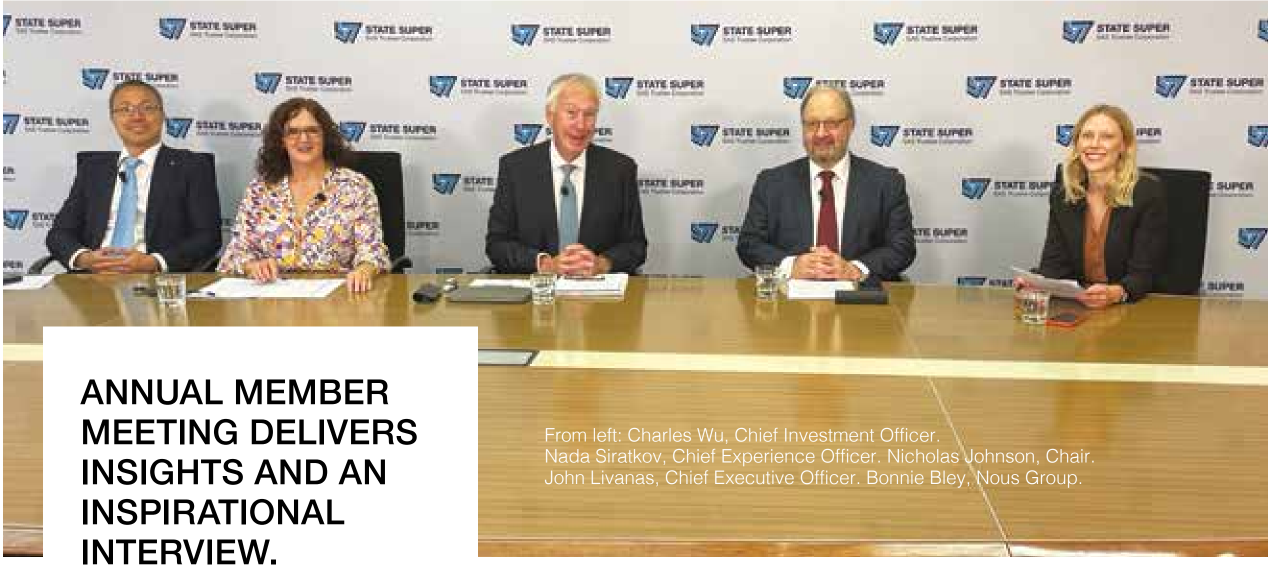
Simply complete SASS Form 412: *Application for payment of a SASS Benefit*

Or start your fortnightly pension payments?

For most SSS Members the normal retirement age is 60. Generally, if you contributed all of your unit entitlement, you can expect to receive a pension of 55% - 60% of your final salary, paid fortnightly to you by direct deposit.

Simply complete SSS Form 512: *Application for Payment or Deferral of SSS Benefits*

Our Customer Service team can give you an estimate of how much your benefit or pension will be and can even assist you with completing the necessary forms.



ANNUAL MEMBER MEETING DELIVERS INSIGHTS AND AN INSPIRATIONAL INTERVIEW.

From left: Charles Wu, Chief Investment Officer. Nada Siratkov, Chief Experience Officer. Nicholas Johnson, Chair. John Livanas, Chief Executive Officer. Bonnie Bley, Nous Group.

We appreciated the interest shown by the many State Super members who attended our second online Annual Member Meeting on 6 December 2023. The response again exceeded our expectations with over 750 members registering to attend.

State Super Chairperson, Nicholas Johnson, Chief Executive Officer, John Livanas, Chief Investment Officer, Charles Wu and Chief Experience Officer, Nada Siratkov presented their summaries of investment performance, objectives, membership trends and the outlook for the year ahead during the meeting.

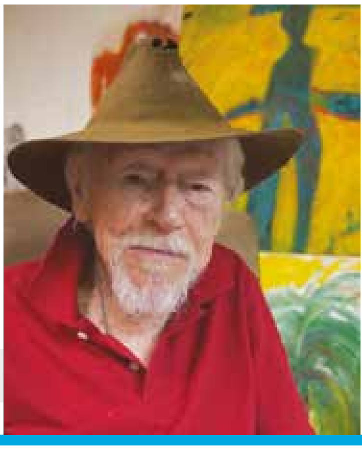
A range of questions to the panel had been included during registration, as well as additional questions which members were able to submit live during the event.

Our executive team provided insightful, detailed answers to many of the questions raised by our members. Members were also shown a short video interview with one of our esteemed centenarian members – Mr Guy Warren, aged 102 and the oldest working artist in the country. Winner of the 1985 Archibald Prize as well as being made a Member of the Order of Australia in 2014, Guy has been a State Super pension member for the last 38 years.

A post-event survey showed that most members felt the meeting was worthwhile, with 87% of survey respondents saying they were "very likely" or "likely" to attend again next year. The overall rating for the event was also very positive, 58% rated it "good" and 27% "excellent".

"Outstanding meeting that provided an excellent insight into the high level of professionalism and competency that State Super provides its members. Very well done to the team" said one member.

And another ***"It was great seeing the interview with the member who is 102 and an artist. An excellent inclusion"***.



Mr Guy Warren, aged 102

Another member added ***"As a first-time attendee the meeting was interesting and covered relevant information for a retiree. Thank you".***

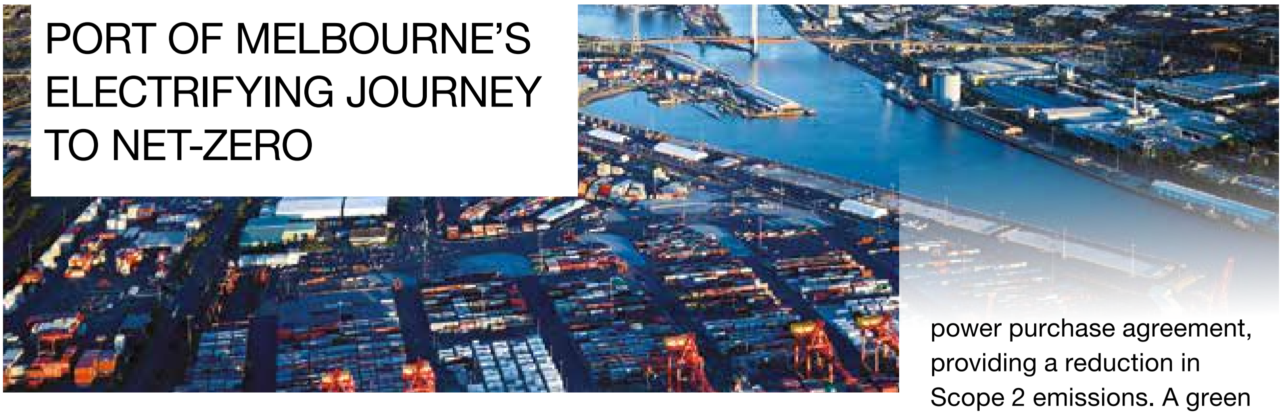
Visit www.statesuper.nsw.gov.au/news-and-publications/news/annual-member-meeting-2023 to view the minutes, presentations, Q&A and videos.

Look out for your invitation to the State Super 2024 Annual Member Meeting later this year. If you've already provided us with your email address, you will automatically receive an invitation with the link to register.

If you haven't previously provided us with your email, get in touch with our Customer Service team at **enquiries@stc.nsw.gov.au** or call **1300 130 096**

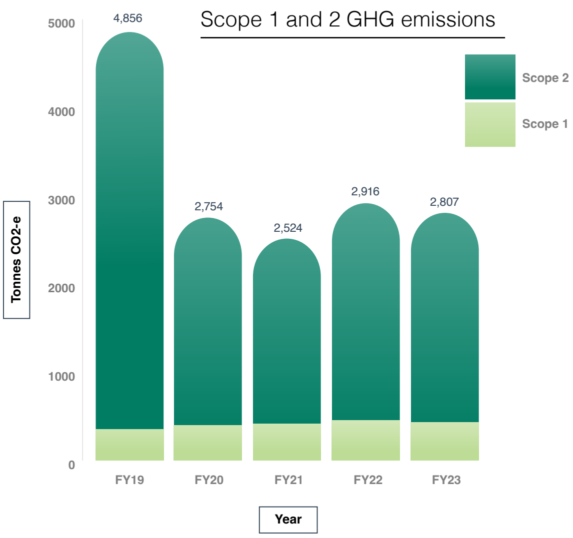
TOWARDS SUSTAINABILITY:

PORT OF MELBOURNE'S ELECTRIFYING JOURNEY TO NET-ZERO



As one of Australia's largest container and general cargo ports, State Super has a small ownership percentage in the Port of Melbourne through one of our investment managers (Queensland Investment Corporation (QIC)). The Port has a crucial role in facilitating trade and commerce in Melbourne and has a stated focus on sustainability, setting a Scope 1 and Scope 2 by 2030 net-zero emissions target. This commitment acts as part of the building block of the Federal Government's investment in climate change and energy transformation priorities, including driving down emissions in the transport sector.

With a commitment to achieve net zero Scope 1 and 2 emissions by 2030, the Port aims to source 100% of its electricity from renewables and transition its corporate vehicle fleet and marine survey vessel to electric or zero-emission fuel technologies.



Source: Port of Melbourne 2023 Sustainability Report.

The decision to source electricity from renewables marks a milestone in the Port's sustainability journey. The Port's Scope 1 and 2 emissions are produced from fleet vehicles, marine survey vessel, and the electricity used in directly managed buildings and port infrastructure. For the last period, the Port achieved a reduction in its Scope 1 and 2 emissions by 4%.

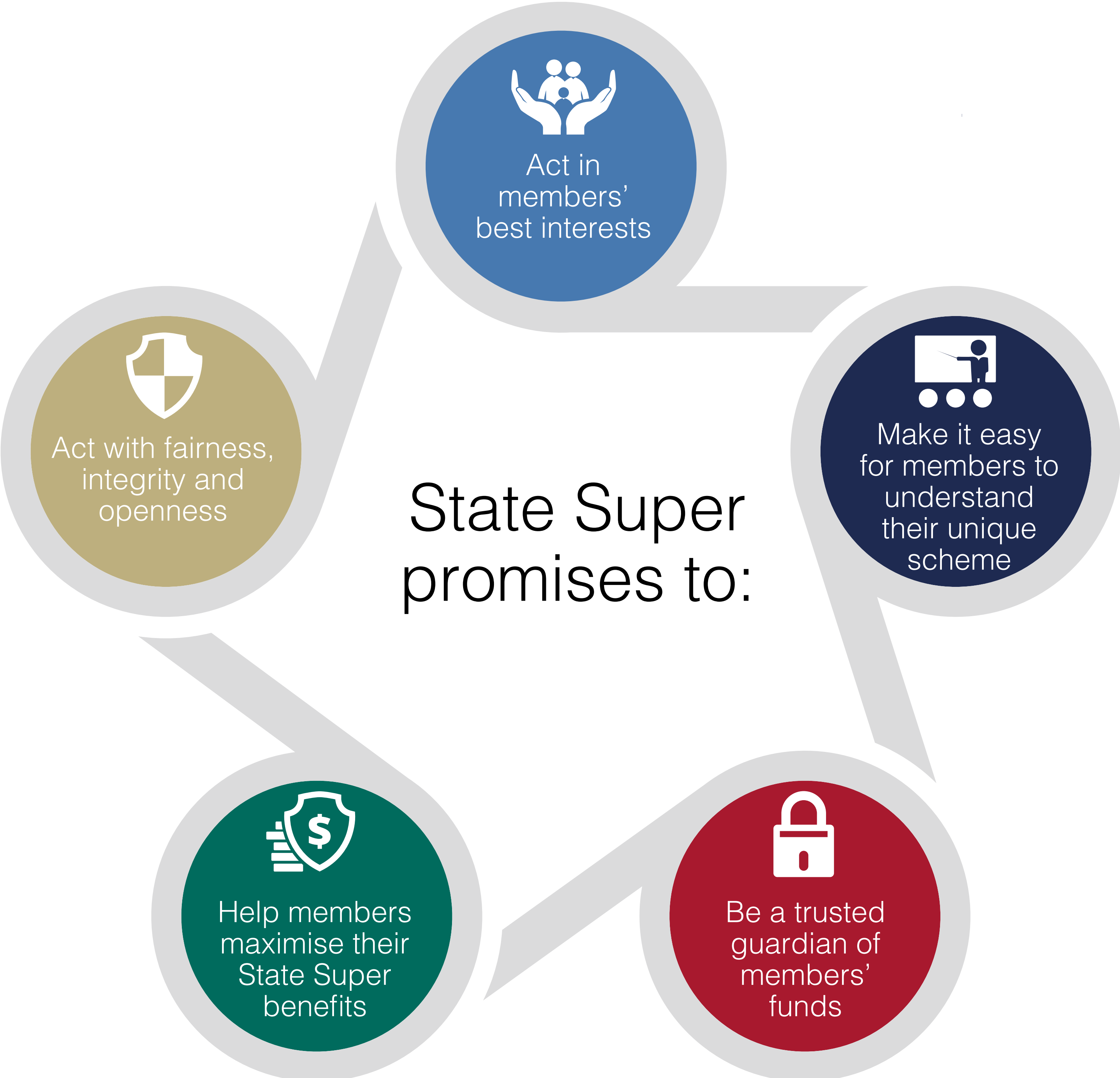
The transition of the Port's corporate vehicle fleet to electric or zero-emissions fuel technologies represents a strategic move towards sustainable transportation. By replacing conventional internal combustion engine vehicles with electric vehicles (EVs) or vehicles powered by zero-emission fuels such as hydrogen or biofuels, the Port is reducing air pollution, minimizing greenhouse gas emissions, and improving local air quality.

The Port will also adopt zero-emissions technology for its marine survey vessel by investing in electric propulsion systems and alternative fuel technologies, and include a renewable power purchase agreement, providing a reduction in Scope 2 emissions. A green methanol feasibility study is intended to be undertaken during 2024, following the signing of an MoU with Maersk and two potential green methanol providers. This positions the Port as a first mover in the region to become a ship refuelling hub given Australia's latest hydrogen developments.

These initiatives underscore the Port's proactive approach to reducing its carbon footprint, mitigating environmental impact, and driving positive change within the transportation and maritime industries. As the Port continues to implement these initiatives, these incremental carbon reductions contribute to STC's ambition to achieve its net-zero goals.

While State Super only has a small investment in the Port, which is managed by QIC, we measure our managers' commitment to net-zero targets through annual surveys and meetings. It is investments such as these that support our goal of achieving a 45% reduction in the weighted-average intensity of our emissions by 2030.

Our Member Beliefs



We listen, learn and grow with you.

INVESTMENT MARKET OVERVIEW

2023 – A YEAR OF CHALLENGES AND SURPRISES

The year just past certainly presented a mixed bag of outcomes. There were some challenging obstacles to negotiate, but there were also some surprising positives to note. Fears of recession largely failed to materialise and inflation continued on a downward trend. While economic growth around the world was generally modest, it still exceeded forecasts. These welcome developments supported generally better than expected outcomes for investors in both share and bond markets.

On the inflation front, the rates for OECD countries fell almost as fast as they had risen. From a peak of almost 10.7% across all OECD countries in October 2022, the rate was down to almost 5.6% by October 2023 and is expected to continue its decline through 2024. By the end of 2025 the OECD projects that it should be “back to target” in most G20 economies. In Australia we ran behind the curve when inflation was rising, and this lag has continued as rates fall.

The inflation falls during 2023 reflected a steely resolve by central banks to use the interest rate lever for as long as was required to achieve their objective. This certainly caused some pain for those with mortgages and for businesses looking to refinance their debt or those hindered by tighter credit availability.

Despite this restrictive monetary policy environment, one of the brighter elements of the past year was a growth in GDP, which exceeded expectations in many economies. The IMF reported world growth to be 3.1% for 2023. Across advanced economies, the growth rate was 1.6%, with the USA being one of the leading lights in that cohort with a 2.5% result. At the other end of the scale, the Euro area posted just 0.5% with the Ukraine conflict being a major drag on that region.

Elsewhere, emerging market and developing economies clocked a collective result of 4.1% for 2023, with India leading the charge at 6.7% followed by China at 5.2%. Australia recorded a modest 1.9% for 2023, although this was slightly higher than what the IMF had forecast. This result was supported by strong immigration growth and China’s robust steel production performance, which kept prices buoyant for our iron ore exports.

The geopolitical environment continued to present a risk to economic outcomes throughout 2023, although the practical impact was not as dire as expected. Among the key events, the Ukraine conflict continued to drag on, but has fallen into a stalemate without any decisive progress for either side. The emerging middle east hostilities pose a threat to stability but have not yet had an impact on energy supply, while the frosty USA/China relations have begun to improve, particularly after President Biden met with President Xi Jinping last November.

How markets have fared

The result of all these economic and political dynamics turned out to largely be a net positive for investors, with share markets performing at the upper end of expectations. The profit performance of businesses, particularly in the energy, financial, technology and health sectors, provided the impetus that seems to have outweighed the background fears over interest rates and recession risks. A great example is the impact of technological developments such as artificial intelligence, which lifted tech stocks out of the doldrums and helped fuel an increase of over 40% in the Nasdaq Index over 2023.

A host of market indices performed strongly over the year. The Dow Jones index in the USA leapt 13.7%, the German DAX was up 20.3%, and the French CAC 40 posted a 16.5% gain. In Asia, the Japanese Nikkei 225 gained 28.2% and India's BSE Sensex saw an 18.7% increase. On the opposite end of the spectrum, the Chinese Shanghai Composite Index fell by 3.7% over the year, partially due to localised issues including low levels of consumer confidence and ongoing crises in the property market.

dipping into recession, although this is not expected to be severe or prolonged.

Looking at the world as a whole, the IMF estimates global growth at 3.1% for 2024, with a slight increase to 3.2% expected in 2025. Looking at the IMF's country-specific expectations, growth in the USA is likely to dip slightly to 2.1%, due largely to the lagged effects of monetary and fiscal tightening and an expected sluggishness in aggregate demand. The Euro area is set to see a modest upturn in their growth to 0.9%, while emerging market and developing economies are predicted to post a collective 4.1%.

The Chinese economy will be under scrutiny from many observers, as it wrestles with the

international stability, particularly over the vexed question of Taiwan. The Ukraine situation seems unlikely to be resolved in the short term and will continue to weigh upon European countries. Escalations to any of these situations could impact supply chains and trade relations, which may in turn put upward pressure on inflation.

Australia faces its own set of challenges and opportunities. We still have a way to go before reaching the RBA's inflation target range of 2 to 3% and the Bank's expectation is that it will still be short of that target by the end of 2024, with a predicted rate of 3.5%. This outcome will depend on how competing pressures will play out. If domestic demand and investment exceed forecasts this could put upward stresses on inflation, but the converse may also occur, which may get us toward the target inflation rate more rapidly.

> **Overall, it is reasonable to expect positive returns over the year ahead**

What can we expect in 2024?

While 2023 saw positive results for many investors and better than expected outcomes on many economic fronts, the consequences of the sustained application of the "monetary policy brakes" are likely to continue to ripple through the year ahead. The inflation beast has been somewhat subdued but is not completely tamed. There is still a way to go in most countries before target range is reached, so policy makers will be wary and will no doubt take action if risks of another uptick in rates occurs.

Economic activity will remain stifled to some degree by the flow-through effects of tighter lending requirements and cautious consumer spending patterns. This may still result in some countries

fallout from the property sector woes and the reverberations this may have in their financial system. While economic growth in China is not expected to reach the heights of recent years, the IMF are still forecasting a rate of 4.6%. The willingness of authorities to intervene with fiscal stimulus may be called on to support their ability to reach that target.

On the geopolitical front there are several flashpoints that cast a shadow over economic stability. The presidential election in the USA will capture a lot of attention toward the end of the year and the outcome may have profound consequences for international relations. If the middle east conflict broadens this could impact oil supplies and cause prices to spike. Western relations with China will also continue to test

What is in store for investors?

Overall, it is reasonable to expect positive returns over the year ahead, however the uncertainty over the economic and political factors at play creates a tentative environment that may constrain returns to levels below what was experienced in 2023.

A continued reduction in interest rates will broadly be a positive influence on share market growth, but the timing and extent of those rate cuts need to be carefully balanced so as not to dampen confidence or to reignite inflation. The volatile geopolitical conditions and the risk of recession, (albeit a mild one), may have a negative effect on market growth, but this may be outweighed by continued positive results in business revenues and profitability.

RETIREMENT PLANNING: BUILDING A GOOD LIFE IN RETIREMENT

Building a life in retirement requires careful planning. The good news is putting in the groundwork now can help smooth your transition into retirement.

Investing in each of these areas of your life lays the foundation for a balanced and enjoyable retirement. Think of these as the bricks that build your future. In this article we'll explore how to use these building blocks to start planning to live and age well.

The building blocks of a good retirement

1 Health
Your health is the foundation that gives you a stable place to build your retirement future.

2 Financial security
Financial security is the framework that builds on your health and supports your wellbeing into the later years of your retirement.

3 Relationships
Ultimately, the people and experiences in our lives make retirement genuinely fulfilling.

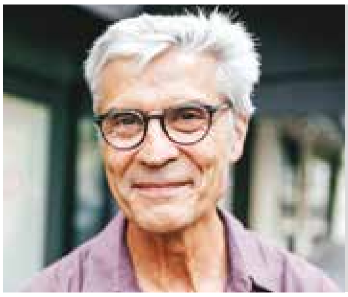
1 Health: Adding life to your years

Most people look forward to spending time with family, friends, and community in retirement. With Australia boasting the third-highest life expectancy globally after Monaco and Japan,[1] living longer means finding ways to stay healthy for longer. Building healthy habits now can support you to fully enjoy the years you have in retirement as well as contribute positively to those around you.

A long and healthy retirement provides you with the opportunity to engage in intergenerational wellbeing. Whether it's sharing wisdom with younger generations, offering guidance, or gaining fresh perspectives, these interactions are immensely rewarding. They not only enrich your own life and family dynamics but also play a significant role in creating a more vibrant, inclusive, and connected society.

Building healthy habits in retirement

Your daily routine	Staying physically active	Keeping mentally fit
When retirement rolls around, switching gears to a slower pace of life may come with its challenges. In your working years, leisure time is often unstructured, but this casual approach may not work in retirement. Retirees tell us having a daily routine and scheduled activities is important. Planning how you will spend your time – both alone and with others will help you enjoy it more.	Australian government guidelines recommend adults do at least 30 minutes of moderate to intensive physical activity on most or all days of the week for the over 60's.[2] Making your exercise social can be a big motivator to being more active. Any exercise is good exercise. Light gardening, a brisk walk or doing jobs around the house can all get your heart rate up.	Maintaining social connections, staying curious and regularly challenging yourself with mentally stimulating activities supports your cognitive and emotional health. Start actively seeking opportunities to connect with people from different age groups. Whether through community activities, volunteer work, or family interactions, these connections can enrich your life now and in retirement.



> "I wasn't really prepared for retirement. I was thinking from the money point of view only, not the social view, or what to do with my time."

David 71.

1. Life expectancy, Australian Bureau of Statistics, November 2023, https://www.abs.gov.au/statistics/people/population/life-expectancy/latest-release
2.https://www.health.gov.au/topics/physical-activity-and-exercise

The power of purpose in retirement

Feeling prepared for retirement is not just about planning how you'll spend your time, but also about how you'll invest it in ways that contribute to your sense of value and self-worth. Having purpose in life is a vital part of good physical, mental, and social health. In fact, research shows it can have a positive impact in a range of different areas of your life as you age.

Health benefits	Living a long life	Feel happier
Living life with a sense of purpose was associated with a reduced risk of developing Alzheimer's disease and other dementias later in life.[3]	Having a life purpose appeared to be more important for decreasing risk of death than drinking, smoking or exercising regularly.[4]	Older adults who participate in activities they find meaningful, such as volunteering in their communities or being physically active, say they feel happier and healthier.[5]

2 Financial security: Switching from a saving to spending mindset

You're probably familiar with FOMO (fear of missing out), but have you heard of FORO (fear of running out)? This is a real concern for many retirees in Australia, where the uncertainty about spending in retirement leads to living too frugally.

Financial security is not just about ensuring you don't outlive your savings; it's also about having the confidence to spend your money on things that bring you joy, help maintain your health, and let you enjoy life. When retirement arrives, the aim should be to comfortably drawdown on your savings and it's important to remember that the Age Pension can serve as a safety net.

Planning your retirement income

At Aware Super we encourage members to think in terms of how much you'll be spending instead of how much you'll need in savings. Once you understand how much you want to spend, you can start to plan for the retirement income you'll need.

- As a rule of thumb, Aware Super estimates most people need around 70% of their take home pay to maintain their current lifestyle in retirement.
- You need less money in retirement because you're not paying tax on your income or making super contributions, for example.
- The amount of retirement income you need will depend on when you want to retire, what you're going to do in retirement and where you live.

Turning your SASS benefit into retirement income

Retirement income products like account-based pensions give you the option to turn your super savings into a retirement income. The SASS scheme doesn't offer retirement income products so it's worth looking at potential options with another super fund for when you retire. An account-based pension offers the following benefits:

- By staying in super for retirement you continue to benefit from the tax-friendly super environment in retirement. Income payments are 100% tax-free if you're 60 or over. All investment earnings are 100% tax-free.
- Your savings stay invested in the market. This can boost your income in retirement and help your savings and income from super last longer. You'll also have access to a range of flexible investment options designed to suit your retirement needs and the level of risk you're comfortable taking.
- How much and when you get paid each year is entirely up to you providing you draw at least the minimum payments. Plus, you have the flexibility to withdraw additional lump sum amounts.

SSS members lifetime pension

- Members who have maximised all their personal contributions can look forward to a lifetime indexed pension adjusted annually for the cost of living based on the CPI All groups Sydney index. The pension at retirement is between 55% and 56% of superable salary. From age 60 this regular income is tax free* for most members.
- Members are also entitled to the additional lump sum which includes the basic benefit. This benefit can be used to pay off any outstanding contributions at retirement, cashed out or rolled over to another super fund, or a combination of the above.

3. https://neurosciencenews.com/sense-of-purpose-dementia-20378/
4. https://www.npr.org/sections/health-shots/2019/05/25/726695968/whats-your-purpose-finding-a-sense-of-meaning-in-life-is-linked-to-health
5. https://www.nia.nih.gov/health/healthy-aging/participating-activities-you-enjoy-you-age.

*50% of amounts over the defined benefit income cap of $118,750 p.a. are assessable

Planning to retire for longer

We know life expectancy is rising in Australia. While the headline figures are a good guide, life expectancy is only an estimate of how long a typical person is likely to live, not a prediction of how long you will live.

Health benefits	Living a long life	Feel happier
In 1970 a 60-year old Australian male had only a 29% chance of reaching their 80th birthday but today they have a 68% chance.[6]	In the past 20 years, the number of Australians aged 85 and over increased by 117.1%, while growth in the total population was only 34.8%.[6]	Mortality-Improved life expectancy gives a more realistic projection of how long the average person age 65 is likely to live. For a male, in 2030 this could be another 22 years, while for a female it could be an additional 24 years from age 65.[7]

3 Relationships: Staying connected in retirement

We know life expectancy is rising in Australia. While the headline figures are a good guide, life expectancy is only an estimate of how long a typical person is likely to live, not a prediction of how long you will live.

In retirement, maintaining social connections isn't just about filling your calendar; it's a vital component of living a healthy and happy life. In fact, research shows that good relationships are the strongest predictor of happiness and health as we age.[8]

As you transition into retirement, it's essential to think about how this change will affect your relationships, particularly if retirement means giving up work or changing jobs. Some key questions you may want to consider include:

- Evaluate the role of your job: How much does your job contribute to your current social networks? Will retirement affect these relationships?
- Reflect on current relationships: What relationships do you have now? How significant are they to your overall well-being? Have you lost touch with old friends or social networks that are important to you?
- Explore new relationships: What new relationships could you start building? Are there groups or activities you've always wanted to explore?

Being involved in your community plays a crucial role in keeping these relationships strong. Activities such as volunteering, participating in local events, or joining social clubs not only help in sustaining existing relationships but also open doors to new ones.

Get the feel good factor from helping others

Feeling useful - through volunteering or working in your community - can give you a new sense of purpose and increase social wellbeing.*

75%	93%	79%	88%
Feel physically healthier	Report improved mood	Report lower stress levels	Report increased self-esteem

*United Healthcare 2017, **Study Doing Good is Good for You**. (Unitedhealthgroup.com)

Part-time work can also provide an opportunity to keep the financial and social benefits of paid work while you ease into retirement. With the workplace changing, there are more opportunities to work part-time, casual hours or from home.

A positive planning experience

Planning for retirement can be a positive experience when you have the right support. Aware Super financial planners are retirement experts and specialists in your defined benefit scheme. We can help you plan your finances for retirement, so you can focus on building the life you want.

Call us on **1800 620 305** to book your appointment today.

6. Melbourne School of Population and Global Health, Longevity and population ageing in Australia, 2019 https://mspgh.unimelb.edu.au/ageing-industry-network/newsletter-issue-12-may-2019/longevity-and-population-ageing-in-australia

7. https://www.superguide.com.au/retirement-planning/life-expectancy

8. Author Talks: The world's longest study of adult development finds the key to happy living, McKinsey & Company, February 2023, https://www.mckinsey.com/featured-insights/mckinsey-on-books/author-talks-the-worlds-longest-study-of-adult-development-finds-the-key-to-happy-living

aware super

Super helpful advice when life throws a curveball

There are many reasons why you might retire early, like your health, or having to care for a loved one. Perhaps you might receive an unexpected redundancy.

The key to managing the unexpected is to be prepared. No matter your retirement goals, we're here to help you when life throws a curveball.

Our experts – here to help

We've been providing comprehensive financial planning services to State Super members, public sector employees and their families for more than 30 years.

Call Aware Super on 1800 841 633 to book an appointment

Scan here or visit
aware.com.au/statesuper

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ASK AN EXPERT

SASS Active

QUESTION 1.

I'm a contributing member of SASS and later this year I will reach 180 accrued points. Should I reduce the percentage of my salary I'm contributing to the scheme?

Reaching 180 points means that you have reached the maximum points that your employer will allocate towards the employer financed benefit component of your SASS account, but it doesn't mean the employer funded retirement benefit has stopped growing altogether.

Even though you have reached this milestone, your employer contribution towards your retirement benefit will still be increased by:

- Increases in superable salary that boost your final average salary at retirement. The employer financed benefit is a defined benefit, and your final average salary is an input to the calculation along with your accrued benefit points. Final average salary is the average of your superable salary reported by your employer at exit from employment, plus the superable salary at 31 December for the previous two years. The higher your final average salary the higher the benefit.
- Your Basic Benefit continues to accrue and has no upper limit.
- The Additional Employer Contribution[1] (AEC) which continues to increase in line with increases in the Super Guarantee. The AEC has been paid since 1 July 2013 to members who were or are subject to the 2.5% wages cap under the NSW Public Sector Wages Policy, and had the Superannuation Guarantee (SG) contribution increases deducted from any remuneration increases.

In terms of the percentage of salary contributions you are making, these continued to accumulate in your personal account along with investment earnings. If you are making these contributions via salary sacrifice[2], this can be a tax effective way to save more for retirement, so the extra contributions can help you to achieve your retirement goals earlier.

Reaching the 180 accrued benefit point milestone opens opportunity to add more tax effectively into super, because the notional employer contribution relating to the EFB component, that counts towards your concessional contribution cap reduces, leaving you more room within the cap to make additional contributions. For a member contributing at 6% or more, with 30 years membership who reaches 180 points at the start of the year, the total benefit factor used in calculating the notional employer contribution drops from 9.6%[3] of superable salary to 1.2%. The maximum you can contribute to SASS is 9% of your superable salary, any contributions above this amount would need to be made to another super fund either through additional salary sacrifice or personal deductible contributions. Just be mindful to keep yours and your employer notional contributions within the cap of $27,500 p.a.

1. Subject to eligibility
2. Check with a financial planner if salary sacrifice is right for you
3. Total benefit factor quoted is for a standard member of SASS. Total benefit factors will vary for former members of SPSSF and NRF

SASS Active

QUESTION 2.

I'm a contributing member of SASS and I'm in discussion with my employer to reduce the days I work from 5 to 2.5. How will working part time impact on my SASS retirement benefit?

There is an impact to SASS but it may not be in the way you might expect.

SASS is a service-related scheme, and your retirement benefits accrue based on the service you give your employer. For periods where you are working part time, the rate you can accrue benefit points will be pro-rata based on your salary ratio. Instead of the maximum 6 benefit points your employer will make available for you to accrue per annum, at a service ratio of 50% your employer will only make 3 benefit points available, so it will take you longer than 30 years' service contributing on average 6% of salary to the scheme to reach 180 accrued points.

In a similar way, your contributions as a percentage of your salary that add to your personal account will also reduce pro rata with your salary ratio, as will the Basic Benefit and Additional Employer Contribution if eligible.

If you are nearing retirement, the good news is your full time equivalent superable salary continues to be reported by your employer to State Super, so there is generally no impact to your retirement benefit. You'll just need to take care if you work shifts, as you will need to continue to work the required number of shifts to retain the same shift loading as the number of shifts is not pro-rata based on your salary ratio.

Go to **aware.com.au/statesuper** or call **1800 620 305** to speak to a financial planner from Aware Super.

ASK AN EXPERT

SASS Deferred

QUESTION.

I'm 61 this year and I'd like to start getting access to some of my super to supplement my income because I'm planning to continue working for a few more years. As background I left my role as a nurse to work in the private sector 5 years ago at which point I deferred my benefit within SASS, I also have an Aware Super Saver account that my new employer is paying my SG contributions into.

You may like to consider a transition to retirement income account which allows you to keep working and access some of your super. Whilst this type of account isn't available within SASS, it can be accessed by rolling over your deferred benefit to a fund that offers this product, such as Aware Super[1].

This option is available to you because you have reached your preservation age and your earliest retirement age within SASS which is generally age 58. It wouldn't be available if you were still contributing to SASS.

When you rollover to a transition to retirement income account your money remains invested and you have a choice of investment strategies. Investment earnings are concessionally taxed at a maximum of 15%, the same as a regular super (Future Saver) account.

You can draw an income from this account which is subject to annual minimum and maximum amounts. The minimum you can draw is 4% of your account balance each year and you can't withdraw more than 10% per year. Because you are over 60, the income you draw is free of tax. Many funds give you flexibility of having your income payments fortnightly, monthly, quarterly, half yearly or yearly.

When you have both a transition to retirement account and a regular super account, they can work together in a tax effective way by making additional contributions to super such as salary sacrifice or a personal deductible contribution. A transition to retirement income account is a smart way to put your money to work and save on tax. This is because when you salary sacrifice to super you only pay 15% tax, which could be less than your marginal tax rate[2].

Setting up a transition to retirement strategy that gives you the most benefit can be complex. For help working out if it is a good option, and to get advice on whether drawing from your super now will impact your broader retirement goals and how long your money will last, book an appointment with an Aware Super financial planner.

1. The minimum balance to start a transition to retirement account with Aware Super is $20,000.
2. Some of your contributions are taxed at a higher rate if the total of your earnings and super contributions per year is $250,000 or more.

SSS

QUESTION.

I am a contributing member of SSS and I turn 60 in August, I'm considering whether I will continue working. What will happen with my contributions to the scheme? Can I make additional contributions so that I don't have outstanding contributions at retirement?

Once you reach your nominated scheme retirement age, you are entitled to your benefit, but only if you have ceased employment. If you go on working, you are, in effect, working for the difference between your net income (after taxes and superannuation contributions) and your net pension.

Many members find that there may not be a significant difference between their net salary and their net pension. If you continue working beyond your nominated retirement age, you will still be eligible for any new units offered as a result of pay increases, but the pension you could have drawn at this time is effectively forfeited. If you are still working at age 65 you can access your pension without resigning. But you will have forfeited at least five years of pension payments.

If you decide to work beyond age 60, you'll find that contributions continue at the same rate through to the next annual adjustment day at which point you can expect to have your contributions reduced by half to two thirds. As your birthday is in August, your annual adjustment day is the first payday after 5 May next year.

Your Annual Review and Annual Adjustment days are as follows:

Birthday	Salary annual review day	Contribution annual adjustment day (first payday on or after)
1 January to 30 June	28 July	21 October
1 July to 31 December	9 February	5 May

The contributions drop sharply because you will have fully paid off the units you began contributing for more than 5 years before your normal retirement age. From this point you will only be paying off the units you began making contributions for in the last 5 years (referred to as instalment rate units), and any new units as a result of an increase in salary.

The contributions at the higher rate you make as deductions from your salary between your 60th birthday and your annual adjustment day, will help reduce the amount you owe the scheme at retirement. The scheme cannot accept additional lump sum contributions, so you can't pay off your outstanding contributions other than through the compulsory contributions from your salary.

Most members will retire with outstanding contributions which must be paid from after tax monies at retirement, and will be counted towards your non-concessional contributions cap. Many members use their lump sum SANCs benefit to pay their outstanding contributions, they can also be paid via cheque to the scheme, converting part of your SSS pension or a combination of the above.

YOUR MEMBER BENEFITS

MEMBER SERVICE APPOINTMENTS AVAILABLE IN PERSON OR ONLINE

Member Service appointments using the Zoom video call platform are available 9.00am to 5.00pm Monday to Friday.

State Super's free appointment service is available to all current and deferred benefits members as well as pension members.

One of our friendly and knowledgeable Customer Service team will meet with you via a face-to-face video call. They can assist with general information about your scheme, superannuation rules, even completing administrative forms or other paperwork. Easy-to-follow instructions will be supplied to help you join your video interview.

If you prefer, we also have a limited number of in-person appointments available at our Sydney CBD or Wollongong offices. If you need documents signed or certified please visit us in person so we can assist.

Call to make an appointment –

SASS 1300 130 095

SSS 1300 130 096

PSS 1300 130 097

Of course, you can contact us by phone for assistance any time during business hours.

There is also a wide range of information available on our website. Details about the rules, benefit entitlements and membership conditions of each of the State Super schemes are provided in a series of fact sheets.

To download a form or fact sheet, go to **statesuper.nsw.gov.au** and search for the name or document number or scroll through your scheme's documents to find what you need.

SIGN UP FOR A WEBINAR TO LEARN MORE ABOUT YOUR SCHEME.

State Super seminars are online! Join a webinar presented by qualified financial planners from Aware Super. They can help you understand how to maximise your superannuation and plan for the future. Aware Super financial planners are specifically trained in your superannuation scheme.

Our webinar is presented in two 60-minute sessions and will help you to:

- learn more about your scheme – how it works, what your choices are and how to make the most of your available benefits
- understand how and when the decisions you make about your employment and superannuation can affect your retirement benefits
- understand the Centrelink rules and the benefits you could be eligible for
- find out how a financial plan can help you make the most of your super.

Easy-to-follow instructions are provided on how to join and participate online from the comfort of home.

To make a booking to attend one of our webinars, call **1800 620 305** or go to **aware.com.au/state-super/events** where you can view dates and times that are convenient for you.

GET IN TOUCH

SASS Active	1300 130 095
SASS Deferred	1300 130 094
SSS	1300 130 096
PSS	1300 130 097

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