

# TARGETED VOLUNTARY SEPARATION PACKAGES (TVSP)



## IN THIS FACT SHEET

- > TVSP under age 55
- > TVSP over age 55
- > Proof of identity
- > Total and permanent disablement
- > Fluctuations in the investment market

If you choose to take a Targeted Voluntary Separation Package (TVSP), you will have a range of options available to you, depending on your age.

The retirement age in the Lump Sum Scheme is age 55. Members over age 55 who exit the scheme receive a retirement entitlement while members who receive a TVSP before age 55 receive a resignation entitlement.

### Under the age of 55

You have three options:

#### Option 1

You can claim a lump sum, within three months of your TVSP resignation date, made up of:

- the balance of your Member Account
- an employer component, equal to the lesser of twice your Notional Member Account or twice the actual balance of your Member Account. Your Notional Member Account is calculated as the balance of your Member Account if you had contributed to the Scheme at the rate of 6% throughout your contributory membership
- the balance of your Public Sector Employees Superannuation Scheme (PSESS) Account (if any)
- the balance of your Rollover Account (if any).

The part of this lump sum that is subject to preservation is the Superannuation Guarantee (SG) portion of your employer component, the balance of your PSESS Account (if any) plus the preserved component of your Rollover Account (if any). You can either leave this preserved amount in the Lump Sum Scheme or roll it over into the Super SA Flexible Rollover Product or another complying super fund. Refer to page 2 to read about the benefits of the Super SA Flexible Rollover Product. If you choose to roll this amount over to a complying taxed super fund, the Taxable (untaxed) component will be taxed by the new fund at 15% when it is received.

The non-preserved part of the lump sum can be taken in cash, subject to applicable tax rates which are determined by your Commonwealth Government preservation age (refer to the table on page 3), or rolled over into another complying super fund.

Please note that any portion subject to Commonwealth

Government preservation rules will still be preserved if it is rolled over. (See the table on page 3 for Commonwealth Government preservation ages.)

#### Option 2

You can roll over an amount into the Super SA Flexible Rollover Product or another complying super fund equal to:

- the balance of your Member Account
- an employer component, equal to the lesser of twice your Notional Member Account or twice the actual balance of your Member Account. Your Notional Member Account is calculated as the balance of your Member Account if you had contributed to the Scheme at the rate of 6% throughout your contributory membership
- a multiple of your Entitlements Superannuation Salary (ESS) based on your membership since July 1992. Your ESS is your full-time equivalent annual salary at your date of termination
- the balance of your Public Sector Employees Superannuation Scheme (PSESS) Account (if any)
- the balance of your Rollover Account (if any).

If you choose to roll over to a complying taxed super fund, the Taxable (untaxed) component will be taxed by the new fund at 15% when it is received.

The whole amount, excluding any non-preserved portion of your Rollover Account, will remain preserved until you retire permanently from the workforce after you have reached your Commonwealth Government preservation age (see table on page 3). Refer to page 2 to read about the benefits of the Super SA Flexible Rollover Product.

#### Option 3

You can preserve your accrued lump sum entitlement in the Scheme. The preserved amount will include:

- the balance of your Member Account
- an employer component, calculated as a multiple of your Entitlements Superannuation Salary (ESS)
- the balance of your Public Sector Employees Superannuation Scheme (PSESS) Account (if any)
- the balance of your Rollover Account (if any).

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Your ESS is your full-time equivalent annual salary at your date of termination adjusted by CPI up to the date of payment. While you only pay contributions based on your substantive salary, if you have been in receipt of a higher duties allowance continuously for 12 months or more when you apply for your entitlement, your ESS at termination will be based on the higher salary.

You are able to claim this entitlement and the non-preserved component of your Rollover Account (if any) between the ages of 55 and 65. The entitlement may be paid earlier if you suffer total and permanent disablement or if you die. The preserved component of your Rollover Account (if any) will remain preserved until you retire permanently from the workforce after you have reached your Commonwealth Government preservation age (see table on page 3). You need to claim your entitlement preserved in the Scheme before you reach the age of 65.

### Over the age of 55

If you receive a TVSP after reaching age 55, you will receive your normal retirement entitlement. For more information, see the *Retirement* fact sheet, available on the Super SA website, [www.supersa.sa.gov.au](http://www.supersa.sa.gov.au).

You can invest in the Super SA Flexible Rollover Product or, if you have reached your Commonwealth Government preservation age, you can choose to purchase a Super SA Income Stream with your retirement entitlement. Refer to the information on this page to read about the benefits of both of these post-retirement products.

### Proof of Identity

You must provide proof of identity documents if you are applying for all or part of your entitlement to be paid direct to you. A *Proof of Identity* fact sheet is enclosed with your TVSP offer for your reference.

### Total and permanent disablement

If you accept a TVSP Offer, you cannot claim a Total and Permanent Disablement (TPD) entitlement from the Lump Sum Scheme. Please contact Super SA for a TPD quote or to discuss the eligibility criteria.

### The effect of fluctuations in the investment market on your entitlement

If you take a lump sum entitlement, your Member Account, PSESS Account and Rollover Account (if any) are subject to fluctuations in global investment markets. This will have an effect on your entitlement. The unit price is determined at the date your payment is made. Therefore any quotation you receive before may be subject to change.

### Super SA Flexible Rollover Product

The Super SA Flexible Rollover Product (FRP) allows you to keep your money within the super environment, and offers you:

- a low-cost and tax-effective environment in which you can park your super
- access to some or all of your money (subject to preservation rules)
- no entry, exit or withdrawal fees
- low administration costs
- low investment fees
- a choice of investment options
- the ability to contribute non-super monies
- the ability to create an account for your spouse or de facto.

If you salary sacrifice and have Death and Total and Permanent Disablement (TPD) Insurance through Triple S, you have the ability to continue your Death and TPD Insurance in the Super SA Flexible Rollover Product (conditions apply).

You will need a minimum of \$1,500 to open a Super SA Flexible Rollover Product account. For more information, see the *Super SA Flexible Rollover Product* Product Disclosure Statement (PDS), available on the Super SA website.

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### Super SA Income Stream

Upon reaching your Commonwealth Government preservation age, you have the option of converting any lump sum super payment you receive into a regular income stream. The Super SA Income Stream offers many benefits, including:

- a regular income
- tax advantages
- a range of investment options
- low administration costs
- low investment fees
- no entry, exit or withdrawal fees
- the ability to choose the amount and frequency of your annual income payments (subject to Commonwealth Government minimum requirement).

You need a minimum of \$30,000 in super money to open a Super SA Income Stream account. For more information on the Super SA Income Stream, see the *Super SA Income Stream* Product Disclosure Statement (PDS) available on the Super SA website.

You may wish to seek professional financial advice before deciding which option to choose regarding your TVSP. As a Super SA member, you can take advantage of the financial planning service available through Industry Fund Services (IFS). The financial planners at IFS know all about the options available to SA public sector employees. For more information, contact them on 1300 162 348.

For help finding a financial planner of your choice, contact the Financial Planning Association of Australia.

### Disclaimer

The information in this document is intended to help you understand your entitlements in the Lump Sum Scheme. Super SA does its best to make sure the information is accurate and up to date. However, you need to be aware that it may not include all the technical details relevant to the topic. For the complete rules of the Lump Sum Scheme, please refer to the *Superannuation Act 1988*. The Act and accompanying Regulations set out the rules under which the Lump Sum Scheme is administered and entitlements are paid. You can access a copy from the Super SA website.

The Lump Sum Scheme is an exempt public sector superannuation scheme and is not regulated by the Australian Securities and Investments Commission (ASIC) or the Australian Prudential Regulation Authority (APRA). Super SA is not required to hold an Australian Financial Services Licence to provide general advice about the Lump Sum Scheme.

The information in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Super SA recommends that before making any decisions about the Lump Sum Scheme you consider the appropriateness of this information in the context of your own objectives, financial situation and needs, read the Product Disclosure Statement (PDS) and seek financial advice from a licensed financial adviser in relation to your financial position and requirements.

Super SA and the State Government disclaim all liability for all claims, losses, damages, costs or expenses whatsoever (including consequential or incidental loss or damage), which arise as a result of or in connection with any use of, or reliance upon, any information in this document.

Your Commonwealth Government preservation age depends on your date of birth:

Date of birth	Commonwealth Government preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

### Further information

The following fact sheets and Product Disclosure Statements (PDSs) may be helpful if read in conjunction with the information presented above:

- [Tax](#)
- [Points](#)
- [Preserved entitlements](#)
- [Retirement](#)
- [Super SA Flexible Rollover Product PDS](#)
- [Super SA Income Stream PDS](#)
- [Lump Sum Scheme PDS](#)

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