FACT SHEET

Retirement Entitlements
Pension

If you retire from the SA public sector after you reach the age of 55, you will receive a fortnightly income, calculated as a percentage of your Entitlement Superannuation Salary.

If you retire from the SA public sector after you reach the age of 55 you will receive a fortnightly income. This is calculated as a percentage of your Entitlements Superannuation Salary (ESS), which is your full-time equivalent annual salary at the time of application for entitlement.

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 will be based on the higher salary.

Please note that if you are on a fixed term appointment (including a Curriculum Guarantee position), you should refer to the Contracts or Acting Arrangements of 12+ Months fact sheet for more information on your retirement entitlements.

How your income is calculated

Your fortnightly income is based on:

- Your ESS.
- Your age at retirement.
- The number of Points that you have accumulated, to a maximum of your Standard Contribution Points. If you are working full-time and making after-tax contributions at your standard contribution rate, you will accumulate one Point for each complete month that you are a contributory member of the Scheme. There are a number of factors that can affect the number of Points that you accumulate and therefore your fortnightly income.

See the Points fact sheet for more information.

- Your proportion of contributory membership after 1 July 1992.
- Your elected contribution rate during your membership[1].
- Whether or not you have had any periods of less than full-time employment.

If you receive a salary increase prior to the effective start date of your fortnightly income, the higher ESS will be used to calculate your fortnightly income. If you are paid a lump sum in lieu of any outstanding annual leave, your retirement date for super purposes will be extended to include the number of days annual leave paid. Your fortnightly income will be calculated and payment commenced from this later date.

When you receive your fortnightly pension, it will be taxed at income tax rates, however:

- A portion of your fortnightly pension will be tax- fee. This tax-free portion replaces the previous "annual deductible" amount.
- Once you reach age 60, you will receive a 10% tax offset on the first $100,000 of your annual pension, which will reduce your tax.

To claim your retirement entitlement you need to complete and return an Application for Payment form to Super SA, for Resignation/Retirement.

This form is available on the Super SA website and from Super SA.

[1] Your elected contribution rate is the rate at which you have elected to contribute during your membership of the Scheme. To maximise your entitlement, you need to have averaged your Standard Contribution Rate throughout your contributory membership. Super SA's Member Services team can assist you if you are unsure of what your Standard Contribution Rate is.

The example below shows Bills tax offset.

Bill is aged 60, his pension entitlement is $30,000 pa. and his member contributions (from 01/07/83) are $40,000.

Tax offset example	
Taxable pension	$27,579*
Tax payable	$2,758
Tax offset	$2,758
Reduced tax payable	**$0****

Factors that can affect the amount of entitlement received

If you're receiving, or are entitled to receive, weekly workers' compensation payments, your pension entitlement will be reduced or suspended for the period of entitlement to workers' compensation.

Preservation and your fortnightly income

You are not able to preserve your fortnightly income if you retire after age 55. Preservation only applies to members who resign before age 55. See the Resignation Entitlements fact sheet for more information.

Commutation

You can commute, or exchange, all or part of your fortnightly income to a lump sum, provided that you do so within three months from the start date of your fortnightly income.

The amount you will receive is based on your exact age, in years and months, on the date of payment. The amounts shown in the table below represent the gross amount you would receive, in a lump sum, for every dollar of annual retirement income that you commute.

Example

Carlo decides to retire on his 59th birthday and immediately commutes $12,000 of his $27,500 annual retirement income. By doing so, he reduces his annual income to $15,500 and receives a gross lump sum of $128,400 (ie 12,000 x 10.70).

Retirement Transfer Balance Cap

Lifetime Pensions, such as the Super SA Pension, count towards the Federal Government's Transfer Balance Cap, which began on 1 July 2017. The cap is a lifetime limit on the total amount of superannuation that can be transferred into retirement phase income streams. The general transfer balance cap is currently set at $1.7 million. If you commenced your lifetime pension before 1 July 2021, you will have a personal transfer balance cap of between $1.6 and $1.7 million, which can be viewed on ATO online.

Age	Amount
55	$11.50
56	$11.30
57	$11.10
58	$10.90
59	$10.70
60	$10.50
61	$10.30
62	$10.10
63	$9.90
64	$9.70
65	$9.50
66	$9.30

The amount of Lifetime Pension that counts towards the Cap will be 16 times the total annual pension as at 1 July 2017, or the date the pension commences after this.

If this amount is over the transfer balance cap, you do not need to commute the lifetime pension, however any other retirement accounts you have (such as the Super SA Income Stream) will need to be reduced by the excess amount above the cap.

If you choose to commute some or all of your pension entitlement, you can choose to be paid the excess, or roll over to an accumulation phase account, such as the Super SA Flexible Rollover Product.

If you have more than $1.6 million in retirement phase accounts, you should seek financial advice.

For further information please call the Australian Taxation Office (ATO) Super Helpline on 13 10 20 or visit www.ato.gov.au.

You are not able to preserve your fortnightly income if you retire after age 55. Preservation only applies to members who resign before age 55. More information is available in the Resignation fact sheet.

*includes Low Income Tax Offset
**does not include medicare levy

How your commutation is taxed

When you receive your lump sum entitlement it will include a "Tax free component". This component comprises your after-tax contributions based on your tax free percentage determined at commencement of your pension and your pre-July 1983 component. Your tax free component will not be taxed. The remainder of your lump sum entitlement is your "Taxable (untaxed) component".

Proportioning of payments

Any lump sum payment taken in cash or rolled over to another fund must have the tax components calculated in the same proportions as the components that make up your total entitlement. You are not able to select only your tax-free member after-tax contributions. This means that payments in cash or rollovers to another fund will contain taxable amounts and you may need to pay tax on these.

Rolling over your commuted lump sum

If you roll over all or part of your super entitlement to another fund your new fund will immediately deduct 15% tax from the part of the entitlement called the "Taxable (untaxed) component".

For more information on tax, see the Tax fact sheet.

How to claim your retirement entitlement

You need to complete and return an Application for Payment of Resignation/Retirement Entitlement form to Super SA, available from the Super SA website and from Super SA.

Further information

The following fact sheets may be of particular assistance if read in conjunction with the information presented above:

- Points
- Resignation Entitlements
- Tax

Fact sheets on a range of topics relating to your super are available on the Super SA website and from Super SA. Alternatively, if you have any enquiries regarding your retirement entitlement or any other matters raised in this fact sheet, please contact Super SA.

We're here to help

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