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If you are retrenched from the SA public sector, and there are no other suitable positions available with your employer, you will be entitled to a payment from the Pension Scheme.

It is important to note, however, that any entitlements taken in cash will be subject to applicable tax rates which are determined by your Commonwealth Government preservation age (see the table below).

**Commonwealth Government preservation ages**

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

**Under age 45**

- You are able to claim either:
- A lump sum payment. This can be taken in cash, or you can roll part, or all, of this amount into a complying super fund and take the balance in cash.
  - A normal resignation entitlement. Please refer to the *Resignation* fact sheet for further information.

**How your lump sum payment is calculated**

- Your lump sum will be based on:
- The balance of your Member Account.
  - 2.3333 times the balance of your Member Account or Notional Member Account, whichever is the lesser. Your Notional Member Account is the account balance you would have achieved if you contributed at your Standard Contribution Rate through your Scheme membership.
  - The balance of your Rollover Account (if any).

- The number of months you have been a contributory member of the Scheme since 31 December 1987.
- Your Entitlements Superannuation Salary (ESS). Your ESS is your full-time equivalent salary on the date you leave the SA public sector, even if you are employed part-time. If you have been receiving a higher duties or acting allowance for 12 months continuously when you cease employment, the higher salary will be used to determine your ESS.
- Whether you have any periods of less than full-time work.

If any part of your Rollover Account was subject to preservation when the Scheme received it, the preserved amount will still be subject to Commonwealth Government preservation requirements (see the table, left).

**Over age 45**

If you are aged between 45 and 60 and you have been a contributory member for five or more years, you will receive a fortnightly income, plus a lump sum.

Please note that there are some exclusions on the payment of a fortnightly income benefit where, as prescribed under the *Public Sector Act*, you may be employed by an employer outside of the SA public sector.

The lump sum can be taken in cash, or you can roll part, or all, of this amount into a complying super fund and take the balance in cash. It is important to note, however, that entitlements taken in cash will be subject to applicable tax rates which are determined by your Commonwealth Government preservation age (see the table on this page).

The maximum fortnightly income you can receive at the date of retrenchment is two-thirds of your Entitlements Superannuation Salary (ESS), and is based on:



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- Your accrued contribution points subject to a maximum of your standard points (until the date of retrenchment).
- The number of months between your retrenchment date and age 60, adjusted for any periods of part-time employment.
- Whether you have contributed at your standard contribution rate throughout your Scheme membership.
- Whether you have had any periods of less than full-time employment during your Scheme membership.
- Whether you are an active contributor at your date of retrenchment.

Your ESS is your full-time equivalent salary on the date you leave the SA public sector, even if you are employed part-time. If you have been receiving a higher duties or acting allowance for 12 months continuously when you cease employment, the higher salary will be used to determine your ESS.

- The lump sum you receive will be based on:
- Your final ESS.
  - The number of months you were a contributory member after 31 December 1987, adjusted for any periods of part-time employment.
  - The balance of your Rollover Account (if any).

The balance of your Rollover Account may be subject to Commonwealth Government preservation rules. Any preserved amounts must be rolled over into a complying super fund.

### Over age 60

If you are over age 60, you will receive your normal retirement entitlement.

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.

### Commutation

If you are aged over 55 on the date you are retrenched and are entitled to receive a fortnightly income, you are able to commute, or exchange, all or part of your fortnightly income to a lump sum. You will have three months from the date you start receiving your fortnightly income to do this.

If you are under age 55 and retrenched, and entitled to receive a fortnightly income, when you reach the age of 55 you will be given the option of commuting part or all of your fortnightly income that you are actually receiving to a lump sum, provided you do so within three months of reaching the age of 55.

If any part of your fortnightly income is reduced at age 55 due to you receiving other income and you commuted part or all of your actual fortnightly income at age 55 you will be entitled, within three months of reaching age 60, to commute part or all of the fortnightly income that was not available for you to commute at age 55.

It is important to note, however, that entitlements taken in cash will be subject to applicable tax rates which are determined by your Commonwealth Government preservation age (see the table on page 1).

### The effect of outstanding amounts of annual leave

If you are entitled to receive a fortnightly income and you are paid a lump sum in lieu of any outstanding amounts of annual (recreation) leave, your retrenchment date, for super purposes, will be extended to include the number of days of annual leave for which you have been paid. Your fortnightly income will be calculated from this date and paid from the following day.

### The effect of employment on your fortnightly retrenchment income

You are able to work while you are receiving a fortnightly retrenchment income. However, you will be income assessed by Super SA until you turn 60. This means that you will be able to earn the difference between your fortnightly income and your Superannuation Salary without it affecting your fortnightly income.

Your Superannuation Salary is the salary you would have been paid if you were still in your former position. If this position no longer exists, your last known salary will be indexed annually by the Consumer Price Index (CPI), all groups for Adelaide.



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### Contact us

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### Tax implications of rolling over a commuted amount to another super fund

If you roll over all or part of your lump sum 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.

### Other options

If you are only entitled to receive a lump sum and you do not wish to take a retrenchment entitlement, you can take your entitlements as:

- Resignation entitlements, if you are under age 55
- Retirement entitlements, if you are over age 55.

### How to claim your entitlement

If your retrenchment has been approved, contact Super SA for the next steps on how to claim your entitlement.

### Further information

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

- [Points](#)
- [Resignation](#)
- [Retirement](#)
- [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.

You may also wish to seek the advice of a professional financial adviser to decide which option best suits your personal needs and circumstances.

### Disclaimer

The information in this document is intended to help you understand your entitlements in the Pension 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 Pension Scheme, please refer to the *Superannuation Act 1988*. The Act and accompanying Regulations set out the rules under which the Pension Scheme is administered and entitlements are paid. You can access a copy from the Super SA website.

The Pension 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 Pension 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 Pension Scheme you consider the appropriateness of this information in the context of your own objectives, financial situation and needs and seek financial advice from a licensed financial adviser in relation to your financial position and requirements.

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