# TARGETED VOLUNTARY SEPARATION PACKAGES



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

The retirement age in the Pension 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 age 55

If you are under age 45, you can choose from options 1 and 3 listed below. If you are between ages 45 and 55, you can choose from options 1, 2 or 3.

### Option 1

You can receive 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 two and a half times your Notional Member Account or two and a half times 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 your standard contribution rate throughout your membership. You can check what your standard contribution rate is on your Annual Member Statement
- the balance of your Rollover Account (if any).

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 this page), or rolled over into another complying super fund.

The part of this lump sum that is subject to preservation is the Superannuation Guarantee (SG) portion of your employer component, plus the preserved component of your Rollover Account (if any). You can either leave this preserved amount in the Pension Scheme or roll it over to a complying super fund, such as the Super SA Flexible Rollover Product. The benefits of the Super SA Flexible Rollover Product can be found further in this fact sheet. 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.

Please note that any portion subject to Commonwealth Government preservation rules will still be preserved if it is rolled over.

**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 |

### Option 2

If you are between ages 45 and 55, you are able to claim a fortnightly income. If you are paid a lump sum in lieu of any outstanding annual leave, your resignation 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. This fortnightly income is based on the "actuarial adjusted value" of the preserved pension that would normally be payable to you at the age of 55. This means that a member who joined the Scheme before age 30 and contributed at the standard rate receives a fortnightly income equal to 22% of salary at age 45 increasing to 50% at age 55 plus an allowance for post-1992 contribution points. See the *Points* fact sheet for information on points.

You can commute, or exchange, part or all of your fortnightly income to a lump sum within three months of becoming eligible to receive it. The commutation factor used is 11.50.

It is important to note, however, that entitlements taken in cash are subject to applicable tax rates

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which are determined by your Commonwealth Government preservation age.

### Option 3

You can preserve your pension entitlement in the Scheme. The preserved amount will include:

– the pension entitlement that you have accrued in the Scheme to the date of your ceasing SA public sector employment
– the balance of your Rollover Account (if any).

You are able to claim your pension entitlement and the non-preserved component of your Rollover Account (if any) between the ages of 55 and 60 (subject to applicable tax rates) but no later than age 60. 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) can be claimed if you have permanently retired from the workforce after you have reached your Commonwealth Government preservation age. If you have not permanently retired from the workforce when commencing your pension entitlement, you must roll over the preserved component of your Rollover Account (if any) to another complying super fund, such as the Super SA Flexible Rollover Product (FRP). The benefits of the Super SA Flexible Rollover Product are outlined further in this fact sheet.

You **must** claim your preserved pension by the age of 60. If you only have a preserved lump sum (Option 1) you are required to claim this by the age of 65.

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.

It is important to note, however, that entitlements taken in cash are subject to applicable tax rates which are determined by your Commonwealth Government preservation age.

### Over age 55

You will receive your normal retirement entitlement, which is:

– your normal retirement fortnightly income plus
– the balance of your Rollover Account (if any).

You can commute, or exchange, part or all of your fortnightly income to a lump sum within three months of becoming eligible to receive it. The amount you will receive is subject to applicable tax rates which are determine by your Commonwealth Government preservation age (see table on page 1) and is based on your exact age, in years and months, on the date of payment.

The preserved component of your Rollover Account (if any) can be claimed if you have permanently retired from the workforce after you have reached your Commonwealth Government preservation age. If you have not permanently retired from the workforce when commencing your pension entitlement, you must roll over the preserved component of your Rollover Account (if any) to another complying super fund, such as the Super SA Flexible Rollover Product.

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.

## Other important information

Please read the information below before you choose to take a TVSP.

### Proof of identity

You must provide proof of identity documents if you are applying for all or part of your entitlement to be paid directly to you. As a minimum, you will be required to provide the Super SA Board with evidence that verifies your full name, your date of birth and your residential address. 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 Pension 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 and Rollover Account (if any) are subject to

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fluctuations in global investment markets. This will have an effect on your entitlement.

The interest rate 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 for your super
- access to some or all of your money (subject to Commonwealth 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 FRP (conditions apply).

You will need a minimum of $1,500 to open a Super SA FRP account. For more information on the Super SA FRP, see the *Super SA Flexible Rollover Product* Product Disclosure Statement (PDS), available from www.supersa.sa.gov.au or by contacting Super SA.

## Super SA Income Stream

Upon reaching your Commonwealth preservation age, the Super SA Income Stream gives you the option of converting any lump sum super payment you receive on retirement into a regular income stream. It 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).

For more information on the Super SA Income Stream, see the *Super SA Income Stream* PDS, available on the Super SA website or by contacting Super SA.

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.

## Further information

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

- Tax
- Points
- Proof of Identity
- Preserved entitlements
- Retirement
- Super SA Flexible Rollover Product PDS
- Super SA Income Stream PDS

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 TVSPs or any other matters raised in this fact sheet, please contact Super SA.

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