

# GUARANTEED MINIMUM RETIREMENT BENEFIT

Former Police Lump Sum Scheme members

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This fact sheet discusses the Guaranteed Minimum Retirement Benefit (GMRB). This is a safety net for your retirement entitlement, which is provided by an Act of the Parliament of South Australia.

On 1 July 2008 the Police Lump Sum Scheme was closed and all members of that Scheme were transferred to Triple S.

To ensure that, as a former Police Lump Sum Scheme member, you have not been disadvantaged by the transfer, you have a guarantee that your retirement entitlement in Triple S will be at least equal to the entitlement you would have received under the former Police Lump Sum Scheme.

This is known as the Guaranteed Minimum Retirement Benefit (GMRB) and is defined in legislation. The GMRB will only be applied if, when you claim your Triple S retirement entitlement, your Triple S lump sum is less than the amount you would have received under the former Police Lump Sum Scheme.

#### Will I be eligible?

You will be eligible if you:

- were an Active Police Lump Sum Scheme member on 30 June 2008
- **maintained at least your former Police Lump Sum Scheme contribution rate in Triple S or the required before tax (salary sacrifice) contribution rate<sup>1</sup>.**
- retire as a police officer after reaching the age of 50.

#### How can I compare my entitlements from the former Police Lump Sum Scheme and from Triple S?

If you are within three months of your retirement date, Super SA can provide you with an estimate of the two retirement amounts<sup>2</sup>. You will also receive comparison information with your retirement payment.

#### How is the comparison calculated?

The calculations to work out the comparison estimate are complex, however the following factors will be taken into consideration:

1. Data stored from the closure of the Police Lump Sum Scheme (eg accrued points at 30 June 2008) is combined with your service and salary details from 1 July 2008 to retirement. This is used to calculate the entitlement you would have received from the former Police Lump Sum Scheme upon retirement, as if that Scheme had continued.
2. Your retirement entitlement in Triple S will be calculated using the balances in your Triple S Employer and Member Accounts. It will also include your salary sacrifice account if you choose to contribute the required salary sacrifice rate rather than including after tax contributions. It will not include any funds you have in your Rollover Account or Co-contribution Account (ie money you have rolled in from other funds or received as part of the Commonwealth's co-contribution scheme).
3. The GMRB calculation is based on a standard contribution rate regardless of whether it was made as after tax or before tax contributions. Any salary sacrifice contributions above the required rate will be treated as voluntary contributions and will be excluded from the GMRB calculation.

<sup>1</sup> Please see the table on page 2 for more information about contribution rates

<sup>2</sup> If you are over 50 and less than three months from retirement, Super SA will provide you with an estimate. However the figures will be subject to change, given the many variables involved, eg. future investment earnings, personal working arrangements until retirement, final salary etc.



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### When would the GMRB be applied?

If the amount you would have received on retirement from the former Police Lump Sum Scheme exceeds your Triple S retirement entitlement, then any shortfall at the time of your retirement will be made up by an amount credited to your Triple S Employer Account, funded by the State Government.

### When would the GMRB not be applied?

The GMRB would not be applied if:

- your Triple S retirement entitlement is greater than the amount you would have received from the former Police Lump Sum Scheme
- you ceased to be employed as a police officer prior to reaching age 50
- you do not continue contributing to Triple S at the required after tax or salary sacrifice contribution rate
- you, your spouse or Estate become eligible for an entitlement following your invalidity or death.

### Do I need to do anything for the GMRB to be applied?

Providing you continue to contribute at your standard Police Lump Sum Scheme member contribution rate, the GMRB will be calculated and, if required, applied automatically at the time of your retirement.

### How much do I need to contribute to be eligible for the GMRB?

You need to maintain at least your former Police Lump Sum Scheme contribution rate in Triple S or the required before tax (salary sacrifice) contribution rate. Refer to the table below.

Age next birthday at commencement of Police Lump Sum	After tax rate	Salary sacrifice rate
20 or less	5.0%	5.9%
21	5.2%	6.1%
22	5.4%	6.4%
23	5.6%	6.6%
24	5.8%	6.8%
25	6.0%	7.1%

### How is the GMRB taxed?

If the GMRB applies, the extra money you receive is Taxable (untaxed) money for taxation purposes. See the *Tax* fact sheet on the Super SA website for more information.

### GMRB and Splitting

If part of your Triple S entitlement is split to your spouse as a spouse contribution split or a split under Part VIIIB of the Family Law Act, this will be taken into account when calculating your GMRB.

### What else can I do to boost my super?

As Triple S is an accumulation-style scheme, any amounts you contribute personally to your super will help to build your final super balance:

- you can make extra salary sacrifice contributions to your super. There is a fee to commence or change a salary sacrifice arrangement
- you can make regular extra personal after tax super contributions via payroll
- you can make one-off lump sum contributions as often as you like (minimum \$50).



To find out more, visit [supersa.sa.gov.au](http://supersa.sa.gov.au)

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To change or commence salary sacrificing or making after-tax contributions, the *Triple S Police Change to Contributions* form is available on the Super SA website.

You may wish to seek financial advice to see what is best for your personal situation.

#### Further information

The following fact sheet and Product Disclosure Statement (PDS) may be helpful if read in conjunction with the information presented above:

- Triple S *Tax*
- Triple S *PDS*

#### Disclaimer

The information in this document is intended to help you understand your entitlements in Triple S. 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 Triple S, please refer to the *Southern State Superannuation Act 2009* and *Southern State Superannuation Regulations 2009*. The Act and accompanying Regulations set out the rules under which Triple S is administered and entitlements are paid. You can access a copy from the Super SA website.

Triple S 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 Triple S.

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 Triple S 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.

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