Super SA

Government of South Australia

INFORMATION SHEET

Pension
Resignation Entitlements

If you resign from the SA public sector before you reach the age of 55, you have two options regarding your super.

Option 1

Providing you have more than 120 months of contributory membership, the fortnightly income that you have accrued up until the date of resignation, can be preserved in the Scheme. This is calculated as a percentage of your Entitlements Superannuation Salary (ESS). If you have less than 120 months of contributory membership on the date you resign, you will preserve a lump sum entitlement and not a fortnightly income.

Option 2

Within three months of resignation you can claim the balance of your Member Account and either:

- preserve your compulsory Superannuation Guarantee employer contributions, plus a productivity entitlement from your period of employment from 1 January 1988-30 June 1992 in the Scheme, or
- roll it over into a complying super fund.

If you choose Option 1

Your preserved fortnightly income is based on:

- your Entitlements Superannuation Salary (ESS), which is your full-time equivalent annual salary at the date you cease SA public sector employment. 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
- your ESS will be adjusted according to the Consumer Price Index (CPI), All Groups for Adelaide, from the date you resign until the date you start to receive your fortnightly income
- your age at retirement
- the number of Points that you have accumulated, to a maximum of your Standard 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 information sheet for more details. If you joined the Pension Scheme before 1 July 1974 your months of contributory membership accrue from the date you turned 30
- the proportion of your contributory membership after 1 July 1992
- your elected contribution rate during your membership
- whether or not you have had any periods of less than full-time employment.

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

Claiming your entitlement

You can claim your fortnightly income at any time between the ages of 55 and 60.

To commence payment of your income upon obtaining age 55, you need to complete an Application for Payment of Preserved Pension Entitlement form. If you have not claimed it by 60, then the Board is required to pay it.

You have the option to commute part, or all, of your fortnightly income to a lump sum within three months of the date from which you start to receive it, subject to applicable tax rates which are determined by your Commonwealth Government preservation age (refer to the table on page 2).

You are also able to receive a fortnightly income, even if you are still working.

If you have less than 120 months of contributory membership on the date you resign, you will preserve a lump sum entitlement and not a fortnightly income.

Your lump sum will be based on:

- your Entitlements Superannuation Salary (ESS), which is your full-time equivalent annual salary at the date you cease SA public sector employment. 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
- your ESS will be adjusted according to the Consumer Price Index (CPI), All Groups for Adelaide, from the date you resign until the date you receive payment
- the balance of your Member Account
- 2.333 times the balance of your Notional Member Account[1]
- the number of months you were a contributory member of the Scheme after 31 December 1987
- whether or not you have had any periods of less than full-time employment.

Claiming your entitlement

If you preserve a lump sum entitlement in the Scheme, you can claim it between the ages of 55 and 65, subject to applicable tax rates which are determined by your Commonwealth Government preservation age (refer to the table, right) or roll it over into another complying super fund at any time by completing an Application for Payment of a Preserved Lump Sum Entitlement form.

If you choose Option 2

You will receive the balance of your Member Account, less tax (applicable tax rates which are determined by your Commonwealth Government preservation age) as a lump sum payment.

Any 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, subject to applicable tax rates which are determined by your Commonwealth Government preservation age. The majority of the amount you take in cash will be taxed at 32%.

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

The amount you are required to preserve or roll over into another complying super fund is based on:

- an Employer component equal to the Superannuation Guarantee (SG) accrued since 1 July 1992. The SG is the minimum level of super entitlement that must be provided to you by your employer
- a productivity entitlement from your period of employment from 1 January 1988-30 June 1992
- the balance of your Rollover Account (if any).

Tax and rolling your entitlement into another fund

If you roll over any portion 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 about tax and your super please see the Tax information sheet available on the Super SA website and from Super SA.

Tax Offset

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.

Retirement Transfer Balance Cap

Lifetime Pensions, such as the Super SA Pension, count towards the Federal Government’s Transfer Balance Cap. The General Transfer Balance Cap was indexed to $1.9 million on 1 July 2023. If you commenced retirement pensions before 1 July 2023, you will have a personal Transfer Balance Cap of between $1.6 and $1.9 million, which can be viewed on ATO online via myGov.
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.

1 Your Notional Member Account is the account balance you would have achieved if you contributed at your Standard Contribution Rate through your Scheme membership.

If this is amount is over your personal 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 your personal Transfer Balance Cap. We encourage you to seek financial advice around this.

If you choose to commute some or all of your pension entitlement, you need to be aware your personal Transfer Balance Cap and the amount that can be rolled into a retirement-style account, such as the Super SA Income Stream.

Further information

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

- part-time employment
- points
- tax.

Information 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 resignation entitlement or any other matters raised in this Information sheet, please contact Super SA.

We're here to help

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