RESIGNATION

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If you resign before reaching age 55, you can immediately access the non-preserved components of your entitlement. If you do this you will effectively lose part of your Employer Component.

If you resign from the SA public sector before the age of 55, you can choose one of three options from your super. The amount of your lump sum may vary according to which option you choose.

The options are:
- Cashing part of your entitlement and preserving the balance
- Preserving your accrued lump sum entitlement in the Lump Sum Scheme
- Rolling over a fully preserved entitlement into the Super SA Flexible Rollover Product or another complying super fund.

How to claim your resignation entitlement

To receive your resignation entitlement you will need to complete an *Application for Payment* form. This can be downloaded from the Super SA website or contact Super SA to have one posted to you.

How your entitlements are calculated

The technical calculations underlying your entitlements are complex. Tables showing how your entitlements are calculated are available on the Super SA website, www.supersa.sa.gov.au.

Public Sector Employees Superannuation Scheme

Some members may also have a Public Sector Employee Superannuation Scheme (PSESS) entitlement, which forms part of their Employer Component and is shown separately on quotes and Annual Statements. The PSESS was introduced by the State Government on 1 January 1988 in lieu of a pay increase for SA public sector employees. It represented a payment equal to 3% of your salary, which was paid into a PSESS Account. PSESS closed on 30 June 1992.

Option 1: Cashing part of your lump sum entitlement

If you resign before reaching age 55, you can immediately access the non-preserved components of your entitlement, less tax. **If you do this you will effectively lose part of your Employer Component**. An Employer Component, equal to the Commonwealth Government Superannuation Guarantee (SG), due to you from 1 July 1992, will be automatically preserved in the Scheme, or you can roll it over to another complying super fund.

The non-preserved components of your entitlement are:
- The balance of your Member Account
- The non-preserved part of your Rollover Account (if any).

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 both tax-free and taxable amounts and you may need to pay tax on these. The majority of the amount you take in cash will be taxed at 32%.

You must apply within three months of leaving the SA public sector to claim your non-preserved components before age 55, or your accrued entitlement will remain preserved in the Scheme until you reach age 55. However, an entitlement can be rolled over to a complying super fund at any time.

You cannot access the preserved components of your entitlement, which are:
- Your Employer Component (SG)
- The balance of your PSESS Account (if any)
- The preserved part of your Rollover Account (if any).

If your preserved components remain preserved in the Lump Sum Scheme, your Employer Component and PSESS Account will become available at age 55. Any part of your Rollover Account that is preserved will be subject to Commonwealth Government preservation rules. Your account balance(s) will continue to vary with investment earnings.

You can roll the preserved components of your

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If you resign from the SA Public sector after age 55 you effectively retire. See the *Retirement* fact sheet for more information.

entitlement into a complying super fund, where they will be subject to Commonwealth Government preservation rules.

The preserved components may be paid earlier if you become totally and permanently disabled or die.

Option 2: Preserving your accrued lump sum entitlement in the Lump Sum Scheme

You can claim your accrued preserved entitlement any time between the ages of 55 and 65. It can only be paid before you turn 55 if you die or suffer total and permanent disablement.

Your preserved accrued entitlement consists of:

- The balance of your Member Account
- An Employer Component, which is a multiple of your ESS*. The multiple is based on:
  - your length of contributory membership in the Scheme
  - your elected contribution rate
  - your proportion of full-time employment.
- The balance of your PSESS Account (if any)
- The balance of your Rollover Account (if any).

Your ESS[1] is indexed by the CPI, between the date of resignation and the date of payment of the entitlement. Your account balance(s) will continue to vary with investment earnings. Any part of your Rollover Account that is preserved will be subject to Commonwealth Government preservation rules.

Option 3: Rolling over your lump sum entitlement which is fully preserved

If you choose to roll over a fully preserved entitlement before age 55 it will consist of:

- The balance of your Member Account
- An Employer Component that is:
  - the lesser of twice the balance of your Member Account or your Notional Member Account[2]
  - an award component adjusted for any periods of part-time service.
- The balance of your PSESS Account (if any)
- The balance of your Rollover Account (if any).

If you choose to roll over a fully preserved entitlement, it will be preserved in the new fund and will be subject to Commonwealth Government preservation rules.

You may wish to consider investing your lump sum in the Super SA Flexible Rollover Product. For more information see the Flexible Rollover Product PDS.

Preservation and your lump sum entitlement

If you roll over part or all of your entitlement into a complying super fund, this portion will be subject to Commonwealth Government preservation rules. Your preservation age depends on your date of birth as shown in the table over the page.

Preserved entitlements cannot be cashed until one of the following occurs:

- You have retired permanently from the workforce having reached Preservation Age
- You have ceased an employment arrangement after the age of 60
- You reach age 65
- You become totally and permanently disabled
- You die.

Non-preserved entitlements are not subject to Commonwealth Government preservation rules and can be cashed. They can also be rolled over from Super SA to another fund and cashed at another time.

[1]Your Entitlements Superannuation Salary (ESS) is used to work out the Employer Component of your entitlement. This is your full-time equivalent annual salary at the date you ceased SA public sector employment. While you only pay member contributions based on your substantive salary, if you have been in receipt of a higher duties allowance continuously for 12 months or more at the date you ceased employment, your ESS will be based on the higher salary.

[2]Your Notional Member Account is the amount you would have accrued had you contributed at the rate of 6% throughout your contributory membership.

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Further information

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

– Points
– Tax
– Retirement
– Super SA Flexible Rollover Product 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 your resignation entitlement or any other matters raised in this fact sheet, please contact Super SA.

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

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