OCTOBER 2024

PensionVIEWS

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STATE SUPER
SAS Trustee Corporation

Keeping you informed on the latest news and updates at State Super

STATE SUPER UPDATE

STATE SUPER
SAS Trustee Corporation

ARE YOU SATISFIED WITH OUR SERVICE?

We are in the process of appointing a new research company to carry out our annual Member Satisfaction survey and they will be contacting members in the coming weeks to conduct our questionnaire.

Thanks to everyone who participated and provided feedback in our last survey, which again gave us very positive results in all areas of service delivery when compared to the broader superannuation industry.

Last year our pension members were the most satisfied group – rating us an 8.0 out of 10.0 on our overall service. Pension members also rated us very highly for Financial Planning (8.6), Telephone Service (8.5), Investment Performance (8.1) and Communication (7.5).

This annual research, together with the comments and insights that we receive from our members, has become an integral part of our future planning and will help us to continue to identify ways to improve the services we provide to you.

8.6 for Financial planning

8.5 for Telephone Service

8.1 for Investment Performance

Get in touch

We also welcome your feedback at any time via our online form at **www.statesuper.nsw.gov.au/contact-us**

ANNUAL MEMBER MEETING 2024... JOIN US!

We are again calling for members to come together at our online Annual Member Meeting this November.

State Super Chairperson, Nicholas Johnson, Chief Executive Officer, John Livanas, Chief Investment Officer, Charles Wu and Chief Experience Officer, Nada Siratkov will provide detailed presentations to members on our investment performance, objectives and the outlook for the year ahead during the 1-hour meeting. You will also have an opportunity to submit questions in advance about the operation of the Fund.

Last year we were delighted to have over 350 members join us online for this important meeting. Our post-event survey showed most attendees felt the meeting was worthwhile with 87% saying they would be "very likely" or "likely" to attend again next year.

> **"Outstanding meeting that provided an excellent insight into the high level of professionalism and competency that State Super provides its members. Very well done to the team," said one member.**

Others added…

> **"I found the big picture explanations very informative".**
>
> **"There is a danger in these types of presentations to say the same old things we've heard before so to tell us stories and give examples makes me 'prick up' my ears".**
>
> **"Just want to say thank you for the meeting, it was great to watch and see you all there and hear what you had to tell us all".**

Date: Wednesday 27 November 2024

Time: 10.30am – 11.30am

HOW TO REGISTER:

- If you've already provided your email address, you'll automatically receive an invitation with the link to register.
- If you haven't previously provided us with your email, visit https://membermeeting.statesuper.registerevents.com.au

REGISTRATIONS CLOSE

15 November 2024

PROTECTING YOURSELF AGAINST SCAMS

At State Super, we take the protection of our members' personal and financial information very seriously, and you can play a key part by keeping your account information safe and secure.

Personal and financial details

Have you been contacted and asked for your bank account details so that a payment of a pension can be processed? If so, you may have been targeted by scammers.

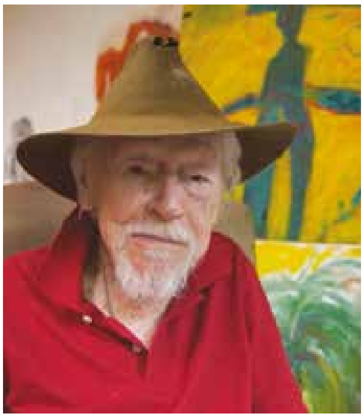
To ensure you are speaking to a State Super customer service team member be aware that:

- We will always advise you that the call is being recorded for training and coaching purposes
- We willingly provide our names and where we are calling from
- If we're unable to get in touch, we will leave a telephone number (which you can verify by checking the State Super "Contact us" website page) and a reference number for you to quote when you call us back

The basic guideline is, if in any doubt, refuse to provide personal details over the phone or via email or simply disconnect the call/do not reply to the suspicious emails. And if you receive an unexpected message that asks you to click a link, **DO NOT click on the link**. You can always request something in writing or contact us via the details on the website https://www.statesuper.nsw.gov.au/contact-us

STATE SUPER UPDATE

VALE GUY WARREN April 1921 – June 2024



Australia's oldest working artist, former Archibald winner and State Super member Mr Guy Warren passed away in June at the age of 103.

> **"We were saddened to hear of the passing of Guy Warren" said State Super CEO John Livanas, commenting that Mr Warren had shown "a life giving value".**

We were lucky to recently have Guy participate in an in-depth interview about his life, highlights of which were featured in a video at last year's Annual Member Meeting.

A State Super pension member for over 38 years, Guy Warren said of his scheme membership "It's been a tremendous help – I'm glad I was sensible enough to have taken it in the first place".

Guy Warren was born in Goulburn, New South Wales in 1921. At the age of fourteen, he left school to work as a proof-reader's assistant on The Bulletin in Sydney. Between 1941 and 1946 he saw extensive war service in Australia and New Guinea, an experience that deeply influenced his painting.

He studied at the National Art School, Sydney as part of the Commonwealth Rehabilitation Training Scheme, followed by studies at the Chelsea School of Art and the Central School of Arts and Crafts in London.

From 1966 and 1973, Guy tutored in the School of Architecture at the University of Sydney and in the Department of Industrial Design at the University of New South Wales. From 1969 he shared in the establishment and development of the Tin Sheds Arts Workshop at the University of Sydney, and from 1973 to 1976 was its first full-time Director.

Guy was an important and influential advocate for the establishment of a new school of contemporary visual arts and design in Sydney. For several years he served on the planning committee, which oversaw the development of a proposed new college to be called The Sydney College of the Arts. In January 1976 he was appointed Principal Lecturer and Foundation Head of the Painting Department at that new College.

He has a long exhibition record of solo and group shows in both commercial and public galleries and museums and has been the recipient of numerous prizes, awards and residencies including the Archibald Prize in 1985.

Guy Warren's place is confirmed as one of the significant Australian artists of the 20th century – and well into the 21st century.

On the subject of retirement, he had commented "Retirement is a stupid bloody word. People think that means they sit on their backsides and don't do anything. That's probably the first time in their lives when they have the opportunity to do what they want to do."

SNAPSHOT OF STATE SUPER CENTENARIANS

Members 100+ years of age	125
Gender	100 Females (80%) 25 Males (20%)
Type of pension	42 primary pension (32%) 89 spouse pension (68%)
Industry	34% of our centenarians have been employed (or their spouse employed) by the NSW Department of Education
Years in receipt of pension	Average of 30 years
Residence	91% reside in NSW

aware super

Super helpful advice for life's big moments

Your life in retirement is likely to keep changing. No matter what life's twists and turns you're facing, a little expert help can make a big difference.

Our experts – here to help

We've been providing comprehensive financial planning services to State Super members, public sector employees and their families for more than 30 years.

Scan here or visit
aware.com.au/statesuper

Call Aware Super on **1800 841 633** to book an appointment

INVESTMENT MARKET OVERVIEW

On the road to global economic normalisation

World economic outcomes have largely been consistent with predictions during the first half of the year, though progress has varied across economies. The IMF projects global GDP growth at 3.2% for 2024 and 3.3% for 2025. Positive deviations in some countries were balanced by lower than expected results in others, notably Japan and the United States.

> **Inflation in advanced economies has eased somewhat but there is still a way to go to get rates in the sweet spot...**

In 2023, the United States saw significant growth, with a GDP increase of 2.5%. This is projected to increase to 2.6% by the end of 2024 and then decline to 1.9% in 2025, largely due to easing in the labour market and consumption. Japan has also seen a sub-par GDP outcome with an expected rate of 0.7% for 2024, increasing slightly to 1.0% in 2025, reflecting ongoing economic challenges.

The Eurozone's GDP growth is expected to rise to 0.9% for 2024 from 0.5% in 2023, driven by stronger exports, wage growth, consumption and investment. The IMF forecasts that this will continue to push up to 1.5% in 2025.

Growth in the Asia Pacific region has exceeded early expectations, with a projected growth rate of 4.5% for 2024, fuelled by strong domestic consumption. Within the region, China is expected to achieve 5% GDP growth, while India continues to lead the way with a 7% forecast for 2024. The ongoing woes of the real estate sector in China continue to hamper growth, with new housing starts and sales in the doldrums.

Back home in Australia, growth has been subdued and will limp along to an expected 1.4% for 2024, reflecting weakness in household consumption, stubborn interest rates and a decline in disposable incomes.

Looking ahead, global GDP is projected to see a slight uptick from 3.2% in 2024 to 3.3% in 2025, indicating a slow but steady recovery.

Inflation in advanced economies has eased somewhat but there is still a way to go to get rates in the sweet spot where central banks would be more comfortable about taking their foot off the brakes. In some economies, including the US, Euro region and Australia, downward trends in inflation have partially stalled, which is tending to delay any rate cuts. In the US we may not see any cuts until the last quarter of 2024 and in Australia the delay may extend to first quarter of 2025.

Markets have been optimistic

Generally speaking, share markets tend to gain a sense of confidence when excessive inflation is being tamed and interest rates are trending down. This seems to have been borne out this year, as the bull markets that gathered pace in the last quarter of 2023 have persisted in most economies over the first two quarters of this year. This reflects resilience and optimism in investment markets, which managed to hold their nerve in the face of geopolitical instability, including the Middle East conflict, ongoing war in Ukraine and continuing trade tensions.

In July, the ASX 200 index broke the 8,000 barrier for the first time, with gains over the last 12 months in the neighbourhood of 8%, despite some fluctuations along the way. In the USA the S&P 500 index posted an increase in the high teens for the same period. European markets have demonstrated a mixed bag of returns. The German DAX is up by around 14% for the 12 months to July, while the UK's FTSE 100 gained 6% and the French CAC 40 just over 2%. In Asia there was some disparity, with the Japanese Nikkei 225 index growing by around 20% for the year, while the Chinese Hang Seng was down by almost 10%, although there is reasonable expectation that a valuation correction and potential fiscal stimulus in the near future will see this index trend in a positive direction from here on.

The expected increase in market volatility for this year has not materialised to any great extent. The CBOE Volatility Index in the US, (which is a key indicator of volatility expectations), has been relatively subdued compared to the previous couple of years. There are factors, however, that still hold the potential to create greater fluctuations, such as the upcoming US elections, ongoing conflicts and the possibility of a stall in progress toward target inflation in some economies.

Member investment choice strategies to 30 June 2024

	1 year	2 year	3 year	5 year	10 year
Growth	9.1%	9.5%	5.7%	6.5%	7.3%
Balanced	8.3%	8.2%	5.1%	5.3%	6.0%
Conservative	7.1%	6.6%	4.7%	4.5%	4.8%
Cash	4.4%	3.5%	2.4%	1.6%	1.8%

Important: Past performance is not a reliable indicator of future performance. The crediting rates shown have been rounded to one decimal point and are shown as an annual rate. Actual crediting rates are declared monthly to four decimal places. The annual rate is the compounded monthly rates.

What is the outlook for investors?

The continued reduction in inflation and interest rates should see the positive momentum in share markets continue for the latter half of the year, however there may be some moderation. Investor sentiment that has shown commendable durability in recent times will be a factor driving returns, although this will be tested by events such as the US elections, the trend toward the far right in European politics and how current geopolitical flashpoints will play out. Recession risks, particularly in the US, are still not out of the question and investors will be keeping an eye on whether US GDP will deteriorate faster than expected.

Recent years have proven that predicting the future with complete accuracy is, of course, a fraught exercise. Worst case scenarios on recession, inflation, share market volatility and property market collapses have essentially not come to pass and investors have, on balance, fared quite well. The lesson in all of this is to maintain vigilance on what may influence markets, while resisting the temptation to overreact to short term impacts. Diversity, patience and a long-term view have always proven to be worthwhile attributes for most investors.

PENSION PAYMENTS UP 3.8% IN OCTOBER

LEARN MORE ABOUT THE ANNUAL CPI AND WHAT IT MEANS FOR YOUR PENSION

Each year the amount of your State Super pension is adjusted to reflect the percentage movement in CPI from one June quarter to the next June quarter. This adjustment most often results in an increase in your pension, but it can be decreased if the CPI adjustment is negative (important to note that if a negative adjustment is less than 1.1%, pensions will not be adjusted for that year).

This indexation of State Super pensions linking to the CPI was introduced in the 1970s following a period of significant inflation.

The movement in the CPI (All-Groups Sydney Index) from 30 June 2023 to 30 June 2024 was 3.8%. **The adjustment rate for State Super pensions is therefore 3.8% for this year.**

State Super pension amounts will change from the first pension payday in October 2024, which is Thursday 3 October this year. Note that pensions starting in the first three quarters of the financial year will receive a partial CPI adjustment, while no adjustment is made to pensions commencing in the final quarter.

Consumer Price Index (All Group Index) for Sydney – last 10 years

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CPI	2.2%	0.9%	2.2%	2.1%	1.7%	-1.0%	4.1%	5.3%	6.6%	3.8%

What is the CPI?

The Consumer Price Index (CPI) simply measures the change in the price of a fixed basket of goods and services purchased regularly by household consumers from one period to another.

The Australian Bureau of Statistics (ABS) measures the cost of a set list of items in order to calculate a CPI rate for each of the eight State and Territory Capital Cities. They also calculate a weighted average of the eight Capital Cities, which is generally the CPI that we hear about on the news.

The CPI rate that is used to adjust your State Super pension each year is the **All-Groups Sydney Index** which simply means it is a CPI rate based on Sydney prices and includes all the categories in the standard basket.

What's in a CPI basket?

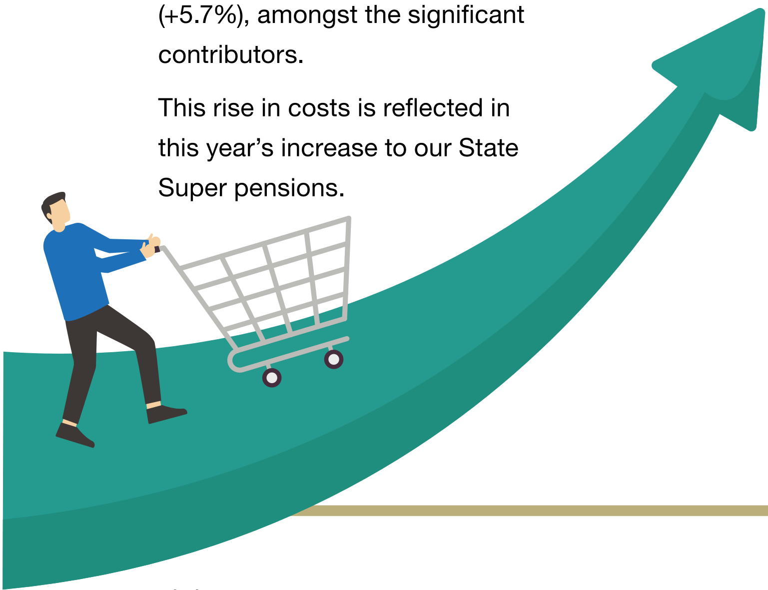
The 11 categories included in each of the All-Groups Indexes are:

- **Health**
- **Transport**
- **Communication**
- **Recreation and culture**
- **Education**
- **Insurance and financial services**
- **Food and non-alcoholic beverages**
- **Alcohol and tobacco**
- **Clothing and footwear**
- **Housing**
- **Furnishings, household equipment and services**

Rise in national CPI

Annually, the national CPI rose 3.8%, with Housing (+5.2%), Transport (+4.6%), Food and non-alcoholic beverages (+3.3%), Insurance and Financial Services (+6.4%) and Health (+5.7%), amongst the significant contributors.

This rise in costs is reflected in this year's increase to our State Super pensions.



2023 - 2024 CPI HIGHLIGHTS*:

- **Australia recorded an annual rise of +3.8%**
- **Sydney recorded an annual rise of +3.8%**
- **Australia recorded a June quarterly rise of +1.0%**
- **Annual food inflation of +3.3% including –**
  - ✓ **Dairy (+2.3%)**
  - ✓ **Bread and cereal (+3.9%)**
  - ✓ **Meat and seafood (-0.4%)**
  - ✓ **Fruit and vegetables (+3.7%)**

*Source: Australian Bureau of Statistics

WESTFIELD KNOX PRIORITISES SUSTAINABILITY AND COMMUNITY

State Super owns the Westfield Knox shopping centre at the base of the Dandenong Ranges on the outskirts of Melbourne.

The project to re-develop the centre, undertaken within State Super's Direct Property Strategy managed by Lendlease Investment Management (Lendlease), prioritises several Environmental, Social and Governance (ESG) initiatives. A key pillar of Lendlease's approach, which is overseen by our Master Investment Manager, NSW Treasury Corporation (TCorp), is the focus on reducing the environmental impact of that site.

Westfield Knox Redevelopment: A Model for Sustainability

The Westfield Knox redevelopment project, which began in October 2021, prioritised enhancing the environmental credentials of the centre in several ways.

- **Large-Scale LED Lighting Upgrade:** Replacing conventional lighting with energy-efficient LEDs across car parks, back-of-house areas, the internal mall, and loading docks. This initiative is estimated to deliver a 10% annual reduction in the centre's total base building electricity consumption, preventing over 570 tonnes of carbon emissions annually.
- **Installation of a 2MW Solar Array:** This substantial on-site solar energy system is projected to generate enough electricity to power roughly one-third of the centre's common areas each year.

Combined, these projects are expected to achieve an annual reduction of over 3,000 tonnes of scope 2 energy consumption, equivalent to an annual carbon footprint of approximately 150-200 average Australian homes.

Centre Statistic	Existing Centre Pre-development	Developed Centre (forecast)
NABERS Energy (star)	4	5
Scope 2 Energy Consumption (MWh)	9,670	6,183
Net Zero Scope 2 Emissions Target	n.a.	35

Source: Westfield Knox Asset & Development Performance Update

Beyond energy efficiency, the Westfield Knox redevelopment project demonstrated Lendlease's commitment to sustainability beyond energy savings. These include implementing a glass crushing program to recycle glass waste, introducing a food composting system to manage organic waste sustainably, deploying smart recycling bins to optimise waste separation, and installing a rainwater harvesting tank to promote water conservation efforts on-site.

These initiatives underscore the commitment of State Super and its investment managers (Lendlease and TCorp) to not only enhancing the sustainability performance of State Super's Direct Property Strategy but also contributing positively to the communities where it operates. By using these strategies in the Westfield Knox redevelopment, Lendlease has set a standard for integrating responsible business practices into planning and delivery and driving long-term value creation while minimising environmental footprint.

These comprehensive sustainability efforts serve as a solid example for future developments within its Direct Property Strategy. State Super remains committed to ensuring its managers integrate strong ESG principles throughout its portfolios, ensuring a positive environmental impact alongside sound commercial performance and alignment with our Net-Zero scope 1 and 2 cO2e goal.

RETIREMENT CURVEBALLS: STAYING STEADY DURING UNEXPECTED CHANGE

Have you heard of the longevity revolution? With Australian life expectancy now over 80 years,[1] it's a term coined for the long, and hopefully vibrant lives Australians are leading in retirement. Gone are the days when retirement meant a quiet wind-down. In today's world, retirement unfolds as an active phase that can span decades – delivering different stages with unique changes.

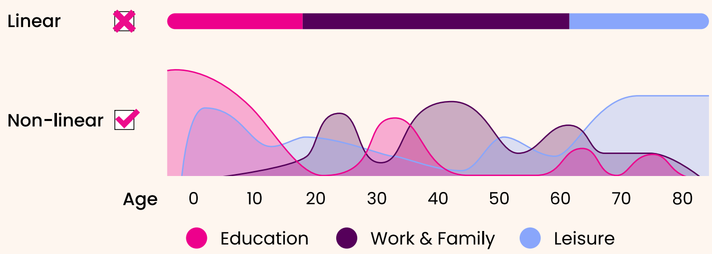
This article takes a closer look at a few of the more common curveballs you may face in retirement and how to navigate unexpected changes with confidence when any unexpected curveballs arise.

The longevity revolution

The longevity revolution has delivered a large shift in retirement expectations. According to research from Age Wave[2], life previously came in three stages: education, work and family, and leisure. Your time in retirement is now likely to keep changing. Life doesn't happen in a linear fashion with three clear stages.

Your time in retirement is likely to keep changing

Life doesn't happen in a linear fashion with three clear stages.



Source: Dr Ken Dychtwald, Age Wave.

Major retirement curveballs

Like any other time in life, expectations and the day-to-day of retirement can change. A report by Edward Jones and Age Wave[3] showed 75% of retirees experience a 'curveball' or 'cannonball' event. These unexpected changes in retirement can include the following:

Spouse/partner passed away	**77%**
'Grey divorce' – couples divorced in their 50's or older	**58%**
Significant financial setback – such as unexpected medical bills or major home repairs	**56%**
Significant illness/health issue	**45%**
Spouse/partner had significant illness/health issue	**42%**
A family member or close friend passed away	**35%**
Became a caregiver	**26%**

Dealing with big changes in retirement

It may sound simple but the key for managing the unexpected is planning ahead. If you're prepared, you'll be ready to face those challenges. Here are some top tips for dealing with retirement curveballs.

1. Get curious and get connected

Facing new or stressful situations with your health or finances can be daunting. Knowledge really is your friend when dealing with change. But before you end up down a Google rabbit hole, start by connecting with trusted family or friends who can offer valuable insights from their experiences. Seek out expert support, for example, from your local council or government support services. This proactive learning approach will help you make informed decisions.

2. Stay on top of your paperwork

Keep your wills, insurance policies, superannuation details, and health care directives in an accessible and secure location. Keep these documents up to date to reflect any changes in your life circumstances and ensure that your insurance covers you for unexpected events such as serious illness or disability.

3. Make sure you have access to money in an emergency

An emergency fund can help cover any financial surprises life throws your way. This money could cover any unexpected expenses such as repairs or an urgent medical bill. Knowing you have a financial safety net is one way to feel more financially confident and in control for your money in retirement.

For SASS members, moving from a defined benefit scheme to making your own decisions about your future finances can be a big step. Taking time to make a plan and revisiting that plan when things change will give you peace of mind regarding your financial security. The Age Pension can also provide a safety net at different times in your retirement journey.

4. Stay physically and mentally active

The fourth biggest curveball for retirees, according to research[3], is experiencing a significant illness or health issue. A healthy lifestyle can be your best defence against unexpected health changes and hefty hospital bills. There are many different ways to look after your health. Take some time to find what works for you.

A crucial part of our wellbeing is caring for your brain, particularly memory and cognitive function. Luckily, it's not rocket science. Here's four key things that can optimise your brain health.

Keep hydrated, drink water

Memory loss and finding it hard to concentrate are common symptoms of dehydration.

If you have trouble remembering (ahem) to drink water during the day, try setting a reminder on your phone to get the habit started. There are even apps to help you.

Use it or lose it

Staying mentally active is vital to maintain our cognitive ability as we age. Our brain's ability to flex or re-organise itself as we experience or learn something new is known as neuroplasticity.

Activities like puzzles, playing musical instruments, new hobbies or even life-long hobbies like reading, can boost neuroplasticity and enhance cognitive abilities.

Stay social

Along with being mentally active, staying socially active also prevents cognitive decline, by easing feelings of loneliness, stress and isolation that can bring on depression.

Get enough sleep

Sleep seems like a passive activity, but for the brain it's the downtime needed to get busy clearing out toxins and waste products that accumulate in our brain tissue during the day.

Navigate retirement with confidence

Remember: along with the curveballs, there will be windfalls too. From welcoming new family members or friends to your circle, to finding new hobbies and passions, or fulfilling long-held dreams. Having a flexible mindset and being willing to adjust your lifestyle and goals is an essential skill to help you navigate unexpected changes in retirement with confidence.

Need help?

If you need help navigating unexpected changes to ensure your retirement finances are in order, speak to an Aware Super financial planner by booking an appointment on **1800 841 633.**

References

1Australian Bureau of Statistics, Life expectancy, 8 November 2023, https://www.abs.gov.au/statistics/people/population/life-expectancy/latest-release

2 Market Watch, Ken Dychtwald: Navigating the Waves of Generational Change, 12 September 2023, https://www.marketwatch.com/podcasts/barrons-advisor/ken-dychtwald-navigating-the-waves-of-generational-change/284fc552-460d-43b0-b237-f219c9c33196

3 Edward Jones, Resilient Choices Trade-Offs, Adjustments, and Course Corrections to Thrive in Retirement, 23 November 2023, https://www.edwardjones.com/sites/default/files/acquiadam/2023-05/050423_AW_EJ_4Pillar_ResilientChoices_FINAL.pdf

ASK AN EXPERT

QUESTION.

Q1: What are the recent changes to entitlements for the Age Pension?

Following 5 years of transitional arrangements, from 1 January 2024 the age pension eligibility age has moved up to age 67 for both men and women.

Increases to the asset limit for the full age pension came into effect from 1 July and will apply until 30 June 2025.

Asset test limit changes that apply until 30 June 2025

		Asset limit for full age pension	Increase on previous limits
Single	Homeowner	$314,000	$12,250
Single	Non-homeowner	$566,000	$22,250
Couple (Combined)	Homeowner	$470,000	$18,500
Couple (Combined)	Non-homeowner	$722,000	$28,500

For every $1,000 of assets above the upper asset limit for the full age pension, the pension amount is reduced by $3 per fortnight until the age pension entitlement reaches zero. Importantly the value of the residential home continues to be excluded in the age pension assets test.

Income test limit changes that apply until 30 June 2025

	Fortnightly income limit for full age pension	Increase on previous limits
Single	$212	$8
Couple (Combined)	$372	$12

Under the income test, a part age pension entitlement is calculated by reducing the pension entitlement by 50 cents for every $1 of earnings above the fortnightly income limit until the part age pension entitlement reaches zero.

The pension amount is usually adjusted in September and March in line with inflation.

In addition to these limits, the 'work bonus' remains unchanged allowing those that are still working the ability to earn up to $300 per person per fortnight that is not assessable under the income test. New aged pensioners start with a $4,000 'income bank' to offset against future income from employment, they can also accumulate any unused part of the $300 fortnightly amount up to $7,800 over a 12-month period.

In relation to defined benefit super pensions, a minimum of 90% continues to be included in income for assessment under the income test.

Income from other financial investments including any money in super funds* if you have reached age pension age you are assessed based on deemed income regardless of the actual income generated. From 1 July 2024 the deeming rates have remained unchanged however the deeming thresholds have been updated.

Deeming rates that apply until 1 July 2025

0.25% for the first $62,600 of financial assets for a Single and $103,800 for a Couple
2.25% Remaining assets

*Account based pensions commenced prior to 1 January 2015 may be exempt from deeming and subject to a special income test. This only applies in limited situations and the balance is excluded from the financial assets subject to deeming.

QUESTION.

Q2: I'm a widow and I receive a SSS pension, I also receive income from my account-based pension which now has a balance of $240,000, the balance of my income comes from a part age pension entitlement. I will inherit approximately $700,000 from my mother's estate when its finalised. My initial thoughts are to spend $100,000 on home maintenance and repairs, gift $150,000 to my daughter to reduce her mortgage. Can you give me some guidance about how to invest the balance?

The best strategy for one individual may not necessarily align to another's needs, it greatly depends on your unique financial objectives. With that in mind, investing in home maintenance and repairs is typically advisable, especially when you have the funds readily available. This expenditure has the added benefit in reducing assessable financial assets for age pension purposes.

Regarding the financial gift to your daughter, the inheritance will increase your assessable assets, potentially disqualifying you from receiving the age pension.

However, you could remain eligible for the Commonwealth Seniors Health Card. The age pension guidelines permit gifting up to $10,000 per financial year. Any amount exceeding this limit is treated as a "deprived" asset, which still counts towards the asset test and is a deemed asset under the income test.

Additionally, it's wise to seek legal counsel to properly structure the gift, especially if there are potential concerns about marital or de facto relationships that could lead to asset division in the future.

With the remainder of the inheritance, you might want to think of maximising the money you can add to the retirement phase of superannuation to benefit from the tax-exempt setting, and the ability to withdraw a higher income level to compensate for the lost age pension entitlement. It also opens a variety of investment options and strategies that can help mitigate investment risks, potentially increase your savings, and preserve their real value considering the rising cost of living. Plus, it offers the convenience of making lump-sum withdrawals as necessary.

To contribute to your super, you're allowed to make a non-concessional contribution of up to $360,000 using the bring-forward rule. This can be done up until age 75^, provided your total super balance doesn't exceed $1.66* million as of the previous June 30th. The bring-forward rule enables you to advance two years' worth of the $120,000* non-concessional contributions cap, in addition to the cap for the current year. An added advantage of this contribution type is that it becomes part of your super's tax-free component, which is significant for estate planning since it won't incur taxes for your non-dependent beneficiaries.

Remember, it's essential to consult with a financial advisor to tailor these strategies to your specific situation.

*All limits current for the 2024-25 financial year. ^ Contributions can be made up to 28 days following the end of the month in which you turn 75.

YOUR MEMBER BENEFITS

MEMBER SERVICE APPOINTMENTS AVAILABLE IN PERSON OR ONLINE

Member Service appointments using the Zoom video call platform are available 9.00am to 5.00pm Monday to Friday.

State Super's free appointment service is available to all pension members.

One of our friendly and knowledgeable Customer Service team will meet with you via a face-to-face video call. They can assist with general information about your scheme, superannuation rules, even completing administrative forms or other paperwork. Easy-to-follow instructions will be supplied to help you join your video interview.

If you prefer, we also have a limited number of in-person appointments available at our Sydney CBD or Wollongong offices. If you need documents signed or certified please visit us in person so we can assist.

Call to make an appointment - 1300 652 113

Of course, you can contact us by phone for assistance any time during business hours.

There is also a wide range of information available on our website. Details about the rules, benefit entitlements and membership conditions of each of the State Super schemes are provided in a series of fact sheets.

To download a form or fact sheet, go to your scheme at **statesuper.nsw.gov.au** and search for the name or document number or scroll through your scheme's documents to find what you need.

UPDATE YOUR CONTACT DETAILS

Do we have your current contact details including email? So we can communicate important information regarding your benefit and keep you abreast of any changes that could affect you, it is important that we have your current contact details. Many of our members now also prefer to receive information via email. Please make sure we have your up-to-date email address, so we can keep in touch.

How to update your contact details:

- Call State Super Customer Service on **1300 652 113**.
- Complete STC Form 207 (available on our website) and mail it to us.

GET IN TOUCH

1300 652 113

State Super
GPO Box 2181
Melbourne VIC 3001

statesuper.nsw.gov.au

enquiries@stc.nsw.gov.au

STATE SUPER
SAS Trustee Corporation

SASP 1024