APRIL 2025

SuperVIEWS

Keeping members super informed

SASS
State Authorities Superannuation Scheme

SSS
State Superannuation Scheme

PSS
Police Superannuation Scheme

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

Annual Member Meeting expands on priorities for 2025

We appreciated the interest shown by the many members who attended our third online Annual Member Meeting on 27 November 2024. The response again exceeded our expectations with over 700 members registering to attend and 380 joining us on the day.

State Super Chairperson, Nicholas Johnson, Chief Executive Officer, John Livanas, Chief Investment Officer, Charles Wu and Chief Experience Officer, Nada Siratkov presented their insights on investment performance, objectives, membership trends and the outlook for the year ahead during the event.

A range of questions to the panel had been submitted during registration, as well as additional questions members submitted live. Our executive team were able to provide insights to address many of these member queries, and any not answered during the meeting are now included in the Q&A on the website.

A post-event survey showed most members thought the meeting was worthwhile, with 83% of survey respondents saying they were “very likely/likely” to attend again next year. The overall rating for the event was also very positive, with 49% rating it “good” and 29% “excellent”.

> **“I found the different speakers interesting and loved the update on the ages and stages of the members. The brief history film was interesting as a way of exploring how we are, where we are today” said one member.**
>
> **And another, “Overall, the presentations were very professional. I was particularly interested in the statements about the performance of the funds in relation to inflation”.**
>
> **Another member commented “I find these meetings reassuring that very competent people are looking after my super and planning for future changes”.**

Look out for your invitation to the State Super 2025 Annual Member Meeting later this year. If you’ve already provided us with your email address, you will automatically receive an invitation with the link to register.

If you haven’t previously provided us with your email, get in touch with our Customer Service team at enquiries@stc.nsw.gov.au or call **1300 130 096**.

Visit our website to view the minutes, presentations, Q&A and video of the meeting.

VALUABLE FEEDBACK FROM OUR MEMBER SURVEY

Thanks to all members who had their say in the Member Satisfaction survey conducted late last year by new research partner, CSBA (Customer Service Benchmarking Australia).

We received positive results in many important areas of service delivery and were able to compare our scores with industry standards. We measure member satisfaction with investment performance, telephone service, member service appointments, communication, website, seminars and financial planning.

You rated us highest for:

8.5 Overall Satisfaction

8.2 Excellent Financial Returns

8.7 A trusted guardian of members' funds

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 continue to identify ways to improve the services we provide to you.

GET IN TOUCH

We welcome your feedback at any time via our online form at

www.statesuper.nsw.gov.au/contact-us

DELIVERING FOR OUR MEMBERS IN THE GROWTH OPTION – A DECADE OF STRONG RETURNS AND STABILITY

Our members who've been with us over the last 10 years* have enjoyed strong, above-median returns that, on average**, generated over $16,000** more than the median SR50 Balanced super fund.

Even better, we've achieved this with significantly lower portfolio volatility.

Why is this important?

Over the past decade, the worst drawdown our members in the Growth option experienced was nearly one-third lower compared to the median SR50 Balanced fund. This means greater stability, greater peace of mind, and, most importantly, the confidence that our member's capital is safe with us.

At State Super, we're committed to delivering strong, consistent outcomes while protecting members financial future.

DC Growth vs Peers

Top Quartile returns over 3 and 5 years.

	1 Month	FYTD	1 Year	3 Year	5 Year	7 Year	10 Year
Quartile	Top	2nd	2nd	Top	Top	2nd	2nd
Rank	1 of 50	17 of 50	16 of 50	5 of 47	11 of 47	12 of 45	16 of 41

Higher returns with Lower Risk

	DC Growth	SR50 Balanced Index
Return	7.4%	6.9%
Volatility	5.2%	6.2%
Max Drawdown	-7.5%	-11.9%
Sharpe Ratio	1.04	0.80

Past performance is not an indicator of future performance. *10-year period refers to 1 Jan 2015 - 31 December 2024. **Calculated using the average member balance in 2015 and the difference between DC Growth return vs SR50 Balanced Index.

Keep your contact details up-to-date

Do we have your current contact details including email? In order for us to 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 130 095
- Complete STC Form 207 (available on our website) and mail it to us.

NOJA POWER – AWARD-WINNING SUSTAINABILITY

Switchgear product – designed and built in Brisbane Australia

As climate change increasingly impacts global ecosystems and communities, companies are being called upon to play a pivotal role in mitigating its effects. Founded in 2002, NOJA Power is an Australian manufacturer of medium voltage electrical equipment.

Recently, they were recognised as Queensland Exporter of the Year and awarded the national Australian Exporter of the Year in 2024 in the Sustainability and Green Economy Category. NOJA Power's products are similar to the electrical switches installed in your home, but scaled up to handle the energy demands of entire suburbs or cities. Their switches are used in 113 countries worldwide to control electricity grids and improve power reliability.

Through the industrial growth strategy managed by Ellerston Capital, State Super invested in NOJA Power in 2024. Our investment reflects a commitment to environmental stewardship and a pragmatic approach to building a climate-resilient future.

Solving Energy Challenges Over the Network

One of the most pressing challenges in addressing climate risk is the vulnerability of energy infrastructure. Australia's electricity grid faces numerous obstacles in its shift to renewable energy. A significant challenge is incorporating renewable sources like solar and wind, which are variable and need sophisticated grid management for stability. Enhancing the infrastructure to accommodate new energy patterns is essential. Overcoming these hurdles demands innovative approaches and cooperation among stakeholders to ensure a reliable and efficient energy transition.

The cornerstones of the NOJA Power product line are the OSM Reclosers (a type of automatic circuit breaker) which represent the latest in switchgear evolution in the industry. NOJA Power's products significantly enhance the performance of the electricity grid through several key innovations. Their

State Super's CIO Charles Wu with the NOJA Power team at the 62nd Australian Export Awards

Automatic Circuit Reclosers (ACRs) play a crucial role in integrating renewable energy sources by enabling the connection of diverse energy resources like solar and wind. This helps maintain grid stability by enabling a quick response to faults and outages, ensuring a reliable power supply.

Additionally, NOJA Power's products are designed with non-toxic and non-polluting materials, avoiding the use of environmentally harmful materials like SF6 gas which is a potent greenhouse gas. This not only improves the environmental footprint but also enhances the sustainability of the grid. Their commitment to smart grid technology and sustainable practices supports the efficient management of energy distribution and reduces carbon emissions. The versatile system paired with these products solves several electricity network challenges with the use of a single unit.

As Australia continues its transition towards renewable energy, grid systems must evolve to accommodate intermittent energy sources like solar and wind, which can be more vulnerable to weather disruptions. By improving grid stability and reducing recovery times, NOJA Power's solutions contribute to long-term energy security, benefiting both local communities and broader economic stability.

Reducing Carbon Footprint and Supporting a Low-Carbon Economy

NOJA Power has also made significant progress in reducing its environmental footprint. In 2024, the company achieved a 15% reduction in greenhouse gas emissions per unit of production. This was primarily due to the adoption of more energy-efficient manufacturing processes and a greater reliance on renewable energy in their operations.

In addition, NOJA Power's products, designed to optimize energy distribution, play a crucial role in reducing energy waste. By improving energy efficiency in electrical transmission, the company's solutions help to lower emissions. In 2024 alone, the improved efficiency of NOJA Power's systems helped prevent an estimated 200,000 tonnes of CO2 emissions. This kind of data-driven result shows how their efforts directly contribute to the global push for emissions reduction.

STATE SUPER
SAS Trustee Corporation

Our Member Beliefs

State Super promises to:

- Act in members' best interests
- Make it easy for members to understand their unique scheme
- Be a trusted guardian of members' funds
- Help members maximise their State Super benefits
- Act with fairness, integrity and openness

We listen, learn and grow with you.

INVESTMENT MARKET OVERVIEW

Measured progress in economic growth

2024 closed with global growth meeting the IMF's predicted level of 3.2%. This is projected to rise marginally to 3.3% in 2025, but with greater divergence in growth rates across various economies. In the USA for example, growth expectations for 2025 have been revised upwards to 2.7% on the back of strong demand and accommodative monetary policy. In contrast, the Euro area has suffered a dip in growth with the 2025 forecast revised down to 1%, as continued geopolitical upheavals, election uncertainty, volatile energy costs, and public debt weigh on confidence.

In Asia, the IMF predict Chinese GDP will grow by 4.6% in the coming year, spurred by the fiscal stimulus provided late last year. Continued fiscal support in 2025 may be required to meet this growth expectation. Meanwhile, the dip in growth in India during late 2024 has been attributed to factors such as tight monetary policies and a lag effect following the national elections. GDP is anticipated to bounce back to 6.5% this year on the back of expected rate cuts, improving domestic demand and a resurgence in infrastructure spending.

Domestically, the modest 1.2% GDP growth in 2024 is estimated to improve this year to a modest 2.3%, according to RBA forecasts. Fuelling this growth will be an upturn in household consumption and improvements in real household incomes, but these gains are partially offset by factors such as a decline in services exports due to caps on international student visas.

Taming of inflation continues

On the inflation front, we can expect a continued downward trend toward central bank target ranges, with the IMF anticipating global headline inflation of 4.2% for the year. This downward movement is occurring more rapidly in advanced economies. Important contributing factors include subdued wage growth and a trend toward lower energy prices.

In Australia, the inflation rate of 2.4% in the last quarter of 2024 was the lowest reading since the first quarter of 2021, and the likelihood of the RBA trimming rates in the first half of 2025 is increasing.

Political shifts in the USA

Growth and inflation predictions are, of course, being formed against a background of uncertainty surrounding the second Trump presidency. The prospect of tariffs and trade tensions has the potential to disrupt global supply chains, destabilise investment, and hamper growth. Furthermore, the shift toward deregulation in the USA, coupled with the tighter migration regime, could create upward pressure on inflation. The actual impacts of such policy changes, however, are unpredictable and it remains to be seen if the real outcomes will be as dramatic as all the rhetoric.

How will investment markets fare in the year ahead?

2024 ended up being a largely positive one for markets and investors. While there were a couple of temporary dips along the way overall, the worst-case scenarios for potential instability (and even some fears of recession) did not eventuate.

If positive economic trends prevail during 2025, then it is reasonable to envisage markets continuing to deliver positive results. Keeping the lid on inflation is one fundamental toward that goal and this is currently being facilitated by factors such as softening commodity prices, tempered wage growth, and easing of demand. Central banks and governments need to balance the inflation reduction imperative with promoting economic activity, using tools including monetary policy and tax reform. This will support the expected growth in corporate earnings and profits, which in turn underpins the durability of growth in share prices.

Set against this generally positive environment are the potentially destabilising effects of trade wars, conflict escalations, and even the prospect of AI causing widespread displacement of workers. Such disruptions may cause uncertainty that could result in greater volatility for investment markets in 2025, however investors can be cautiously confident of another positive year.

YOUR GUIDE TO EXITING SASS AND SECURING A RETIREMENT INCOME

Retirement is a major milestone, and for SASS members, the right choices now can make all the difference

Our retirement lifestyles and dreams might differ, but the one thing we have in common? We all need for a reliable income to sustain us. And for SASS members, some of whom have been contributing for over 30 years, getting ready for retirement isn't just about finishing work—it's also about making some of the most important financial decisions of your life. Now's the time to explore your options and plan your future.

When can you access your super?

Your age and work status determine when you can access your SASS benefit:

- **Your age:** With a few limited exceptions such as financial hardship and total and permanent invalidity, the earliest that members can access their SASS benefit is age 60.
- **Your work status**: If you're between 60 and 64, you can access your super if you:
  - retire
  - change employers. Keep in mind that any contributions from a new employer to another super fund will be preserved until you meet the conditions to access them.

Once you turn 65, you can cash out and rollover your money from SASS regardless of whether you continue working in your same role or not.

Ready to retire or exit SASS? Here's what you need to know

For most members* when you decide to access your SASS benefit, you exit the scheme and face a big decision: what to do with your money. Many members choose to stay within the super system by rolling over their super into a regular income stream, such as a retirement income account. Other options include taking a lump sum or rolling your funds into another super account. Each choice comes with its pros and cons, so it's worth taking the time to carefully weigh your options.

One of the biggest perks of a retirement income account is its flexibility.

How a retirement income account works

A retirement income account—also known as an account-based pension—is designed to be a tax effective way to give you both flexibility and financial growth in retirement. Once you transfer your SASS benefit into the account, you can draw down regular payments to cover your living expenses while keeping the rest of your funds invested. This approach allows your savings to keep growing, tax free, under professional investment management.

A retirement income account gives you the security of a steady income while keeping your super invested. Unlike taking a cash lump sum, this option provides ongoing financial support with payments tailored to your needs—whether fortnightly, monthly, quarterly, or annually. Best of all, your investment earnings and income payments are tax-free if you're 60 or older. It's a flexible, tax-friendly way to manage your retirement funds.

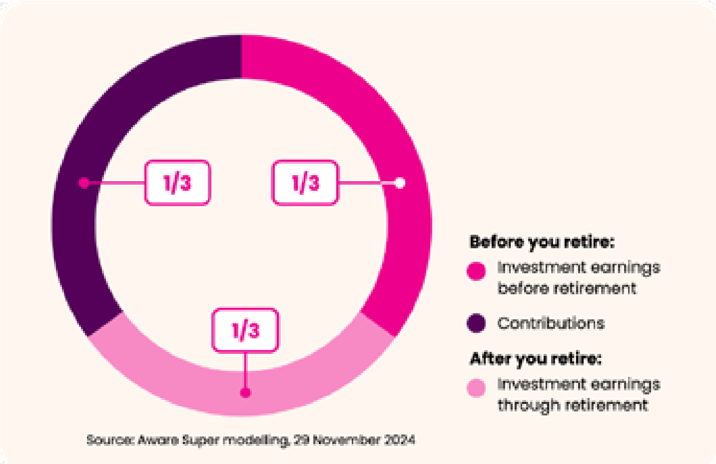
One of the biggest perks of a retirement income account is its flexibility. You choose how much to withdraw, and you can adjust your payments as your needs change as long as they are at least the minimum^ drawdown rate. If you need extra funds for a big expense, like a holiday or medical costs, you can withdraw a lump sum. And since any investment earnings within the account aren't taxed, your money works harder for you.

CONTINUED - YOUR GUIDE TO EXITING SASS AND SECURING A RETIREMENT INCOME

Why staying invested matters

Did you know that about 30% of the income you draw in retirement comes from investment earnings made after you retire? Staying invested helps your money last longer, thanks to the power of compound growth. This approach means your savings can continue to grow, keeping pace with inflation and other financial needs.

On top of that, the tax-free nature of investment earnings and income payments after age 60 gives retirees a big financial advantage. It's all about making your money go further, so you can enjoy your retirement without unnecessary financial stress.



* Some members transferred to SASS from closed schemes may have retained the option to convert the employer financed benefit to a defined benefit pension within SASS on retirement from age 60. Check your annual statement to confirm if your SASS Account has this option.

^The minimum pension withdrawal from an account-based pension depends on your age. Here are the standard minimum drawdown rates for the 2024-2025 financial year:

Under 65: 4% of your account balance	65 to 74: 5%	75 to 79: 6%	80 to 84: 7%
85 to 89: 9%	90 to 94: 11%	95 or older: 14%	

These percentages are applied to your account balance on July 1 each year.

Helping State Super members plan for retirement

Starting to think about a change in tempo? Even if retirement's still a while away, we can help you start planning today.

Our experts – here to help

We've been helping State Super members, public sector employees and their families with advice and comprehensive planning for more than 30 years.

Scan the code or call **1800 841 633** to book an appointment today.

aware.com.au/statesuper

ASK AN EXPERT

SASS Active

QUESTION 1.

I am thinking about reducing my working days from 5 to 4 per week to have more time for my hobbies and family. Could you please clarify if there would be any impact on my SASS account if I achieve this by taking one day off each week as leave without pay versus switching to a part-time working arrangement?

The impact on your SASS benefit and account will be the same whether you reduce your working week by 1 day through a regular Leave Without Pay arrangement with your employer or by switching to part-time work. In either case, your employer must notify State Super of the change in your working hours, which will prompt a salary ratio to be applied to your account for that period of service.

The salary ratio is used to determine:

- Your contributions to SASS
- The points your employer will allocate for you to accrue towards the Employer Financed Benefit (EFB) component
- Accrual of the Basic Benefit and Additional Employer Contribution (AEC), if applicable.

Instead of the 6 points allocated by your employer each year (up to a maximum of 180), the annual points will be adjusted by the salary ratio during the period it applies.

For example, if you work one day less each week:

- Salary ratio: 0.8
- Maximum employer points per annum: 4.8 (6 multiplied by 0.8)

If you have not yet reached 180 accrued benefit points, and you have periods of service where a salary ratio of less than 1 is applied, it will take you longer than 30 years of service to reach the 180 maximum accrued points milestone. If you are already at 180 accrued benefit points, the salary ratio will not impact your points but will still affect the rate of accrual of your Basic Benefit and Additional Employer Contribution if applicable.

The full-time superable salary will continue to be used in the calculation of your benefit when you cease to be a contributing member whether that be on resignation, retirement, medical retirement, redundancy, or death.

For those members that currently have a shift loading* included in your superable salary you may risk losing the loading if you don't maintain the number of worked shifts in the calendar year. The number of shifts required for the loading is not pro-rata for your salary ratio. This is important in the years leading up to your benefit being calculated, such as at retirement, when you want the highest salary possible reported as it can make a substantial difference to the final retirement benefit payable.

*Check the award or with your employer to determine whether the shift loading based on the number of shifts worked is added to and included in your superable salary reported to State Super.

SASS Active

QUESTION 2.

My work colleagues who aren't in SASS receive contributions into their superannuation each pay period, and they don't need to make any personal contributions. Am I missing out on entitlements by being in SASS?

Most SASS members will have a higher benefit at retirement than their colleagues who receive the minimum compulsory employer contributions, and if they don't then there are processes in place to ensure that they receive at least the minimum entitlement.

Your colleagues are receiving the minimum contribution under the Super Guarantee (SG) rules, which is a mandatory system in Australia where employers must contribute a minimum percentage of an employee's ordinary time earnings into a superannuation fund. The SG started in 1992 with a mandatory contribution rate of 3% and has gradually increased to 11.5% as of July 1, 2024. It is expected to increase to 12% on July 1, 2025.

Over the years, SG increases that were deducted from salary increases have been passed on to SASS members through the Basic Benefit and the Additional Employer Contribution (AEC)*. For most SASS members, especially those contributing an average of 6% over their membership, they will have maximised the employer-funded component of the scheme and will receive more at retirement from their employer through their SASS benefit than they would have if they had been receiving and investing the minimum under the SG rules. This is because the SASS employer-funded component is largely based on a formula that includes points accrued, service period, and final average salary rather than contributions and investment returns.

To ensure you receive at least the minimum super entitlement from your employer, a calculation is performed based on when you apply to defer, cash out, or roll over your SASS benefit, or if your benefit is paid as a death benefit. This compares your employer-funded benefit in SASS with an actuarial valuation of what you would have received under SG. If the SASS benefit is lower, an additional amount, referred to as the Super Guarantee shortfall, is paid to make up the difference. If a shortfall is projected, it will be itemised on your annual statement.

For members with a projected shortfall and contributed points less than the maximum points, there are often changes that can be made, particularly to the rate of contribution, to improve the SASS employer funded benefit.

From age 65, members have the option to opt out of contributing to SASS and cease as a contributing member. From that point the employer will commence making SG contributions to Aware Super or a superannuation account the member nominates. Whether this is right for you depends on factors such as whether you have reached 180 accrued benefit points, expect a significant salary increase that could boost your retirement benefit in SASS, and your readiness and comfort level with managing the investment and market risk of your money in super.

*Eligible members are those who were or are subject to the 2.5% wages cap under the NSW Public Sector Wages policy and had the SG increases deducted from any remuneration increases.

ASK AN EXPERT

SASS Deferred

QUESTION.

I'm 63 and I plan to resign and cash out all or part of my SASS benefit, take a long holiday, and then come back to work in a casual role. I'm fit and healthy and not ready to retire. Will the ATO make me pay tax on the money I've cashed out of super?

By resigning from your job at age 60 or older, you satisfy a condition of release under the Commonwealth preservation rules. This allows you to cash out your super, even if you start another job immediately or in the future.

If you wanted to cash out part of your benefit and keep the account open, then you have the option to cash out your SANCs account while leaving the rest of your deferred lump sum invested in SASS. With SASS, once you access your personal account and employer-financed benefit, you must either withdraw the entire amount or roll over the balance to another super account and you will no longer be a member of SASS.

As you are over 60, any money you cash out of super is not considered assessable income, so you won't pay tax on it. However, if you invest the cashed-out money, such as in a term deposit, the income or interest earned will be assessable. Depending on your total assessable income, you may need to pay tax on this investment income.

It's important to make decisions about withdrawing super funds within the context of a comprehensive financial plan for retirement.

SSS

QUESTION.

If I take a payout of extended leave owed upon retirement at age 60, will my SSS defined benefit pension be taxed in that financial year, given the extended leave payout is added to the pension as earnings for that financial year?

Extended leave and other accrued leave entitlements are generally included as assessable income and will be taxed accordingly in the financial year they are paid. Any lump sums cashed out from Super from age 60 such as the basic benefit are tax free and not assessable.

Regarding defined benefit pension payments, specific rules apply to the taxation of tax free and taxed components of defined benefit income, which receive concessional tax treatment under the 'defined benefit income cap' rules. If your SSS pension payments are within the cap then they are not assessable. If they exceed the cap then 50% of the excess is assessable income to which no tax offset applies.

For the 2024-25 financial year, the annual cap is $118,750, which is the $1.9 million general transfer balance cap divided by 16.

In the first year a part year reduction of the defined benefit income cap is applied using the following formula:

Calculating the part-year defined benefit income cap

$$\frac{\text{General transfer balance cap for the financial year}}{16} \times \frac{\text{1+ number of days remaining in the financial year from the commencement date of the SSS pension}}{\text{Number of days in the financial year}}$$

Case study: Calculation of the part year defined benefit income cap and assessable income for a SSS member who commenced their pension on 2 January 2025, and who received $60,000 in pension payments in the 2024-25 financial year.

Calculation of part year defined benefit income cap

$$\frac{\$1.9\text{m}}{16} \times \frac{1 + 179 \text{ days}}{365} = \$58{,}562$$

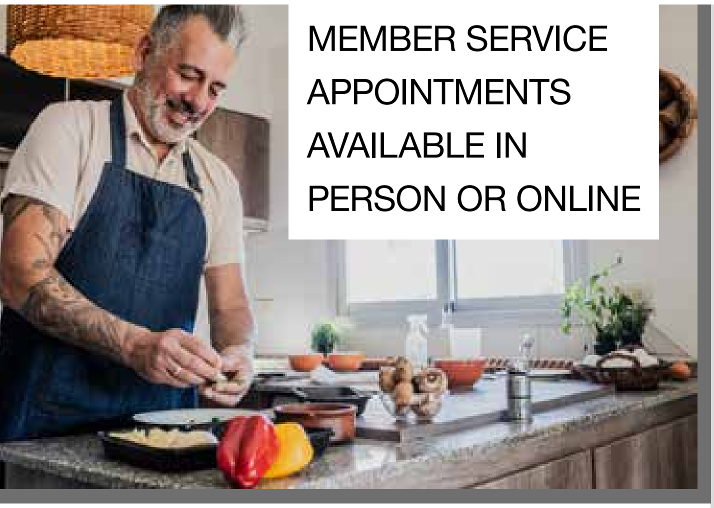
The part year reduced cap that will apply in the 2024-25 financial year is $58,562.

The members pension payments exceed the part year cap by $1,438 ($60,000 – $58,561) and will have $719 ($1,438 x 50%) included in their assessable income in the financial year.

It's always a good idea to consult with a financial planner to understand the full tax implications based on your specific circumstances.

Scan the code or call **1800 841 633** to book an appointment with an Aware Super financial planner.

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 current and deferred benefit members as well as 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 –

SASS 1300 130 095

SSS 1300 130 096

PSS 1300 130 097

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 **statesuper.nsw.gov.au** and search for the name or document number or scroll through your scheme's documents to find what you need.

SIGN UP FOR A WEBINAR TO LEARN MORE ABOUT YOUR SCHEME.

State Super seminars are online! Join a webinar presented by qualified financial planners from Aware Super. They can help you understand how to maximise your superannuation and plan for the future. Aware Super financial planners are specifically trained in your superannuation scheme.

The content of the webinars are tailored to the scheme and will help you to:

- Learn more about your scheme – how it works, what your choices are and how to make the most of your available benefits.
- Understand how and when the decisions you make about your employment and superannuation can affect your retirement benefits.
- Understand the Centrelink rules and the benefits you could be eligible for.
- Find out how a financial plan can help you make the most of your super.

Easy-to-follow instructions are provided on how to join and participate online from the comfort of home.

To make a booking to attend one of our webinars, call **1800 841 633** or go to **aware.com.au/state-super/events** where you can view dates and times that are convenient for you.

GET IN TOUCH

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