OCTOBER 2024

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

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.

8.1 for Financial planning

8.1 for Member Service appointments

7.8 for Telephone Service

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.

In last year's survey State Super's active and deferred members rated us highest for Financial Planning (8.1), Member Service Appointments (8.1) and Telephone Service (7.8) out of 10.

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.

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

ARE YOU WANTING TO RECEIVE YOUR BENEFIT SOON?

SASS Members can choose to receive all of your benefit after you reach age 58, providing you resign from the NSW public sector and meet a Commonwealth condition of release. You can -

- receive some or all of your benefit in cash (where eligible) and roll over any balance to another approved superannuation fund
- roll over all of your benefit to another approved superannuation fund until you reach age 60, at which time the entire benefit becomes tax-free.

Contact Customer Service for an estimate of how much your benefit is worth today and to check if you meet the requirements. Then simply complete *SASS Form 412: Application for payment of a SASS benefit* and send it to Mercer (contact information can be found on the form). Proof of identity documents or electronic verification may be required. For more information refer to *SASS Fact Sheet 5: Retirement Benefit.*

OR START YOUR FORTNIGHTLY PENSION PAYMENTS?

For most **SSS Member**s the normal retirement age is 60. Generally, if you contributed all of your unit entitlement, you can expect to receive a pension of 55% - 60% of your final salary on normal retirement. In the cases of early voluntary, normal or invalidity retirement, the SSS benefit is a pension that may, within specified time limits, be exchanged for a lump sum from age 55. Your pension will be paid by direct deposit to your nominated bank, building society or credit union account.

Contact Customer Service for an estimate of how much your pension payment will be and to check if you meet the requirements. Then simply complete *SSS Form 512: Application for Payment or Deferral of SSS Benefits* and send it to Mercer (contact information can be found on the form). Proof of identity documents or electronic verification may be required.

For more information refer to *SSS Fact Sheet 7: Normal retirement benefit.*

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.

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.

HOW TO MAXIMISE YOUR STATE SUPER BENEFIT SO YOU CAN RETIRE FOR LONGER, AND THE TOOL TO HELP YOU PLAN

Australians overall are living longer, healthier lives than our parents and grandparents. Here's how to get your retirement savings in the best shape possible to go the distance.

Australians today can expect that life after work will make up one third of our life span. It's reshaping what retirement means for us – what kind of lifestyle we want to enjoy and importantly how we make our savings last as long as we do.

Get started planning your retirement lifestyle

Living longer and more active lives means our retirement income needs to keep pace with our contemporary retirement lifestyle.

Whether you start retirement by easing back on work hours, or you dive straight in, your lifestyle expands to take in more leisure, travel and family time. You might be dreaming of that trip-of-a-lifetime holiday, and investing in activities that you didn't have time for when working.

But approaching retirement can challenge your sense of financial security, as you consider a lifestyle that no longer includes a regular salary. Aware Super's expert Kenneth Young says feeling financially secure is the most common concern for people considering retirement.

> **"Attaining financial independence in retirement means being able to live comfortably and not worrying about running out of money. This is achieved by understanding how much you can afford to spend in retirement, which is the key to feeling financially secure."**

Kenneth Young – Aware Super Financial Planner and State Super scheme expert

How much do you really need to retire?

How much you'll need to give you that feeling of financial freedom depends on the activities, experiences and choices you plan for your retirement lifestyle.

But it helps to understand the broader picture. The ASFA Retirement Standard includes an estimated breakdown of expenses needed to live a modest and a comfortable lifestyle in retirement.

The Association of Superannuation Funds (ASFA) update the data regularly. This table is current for the March 2024 quarter.^

Household budgets for modest and comfortable lifestyles for those aged 65-84 years

	Modest Lifestyle		Comfortable Lifestyle	
	Single	Couple	Single	Couple
Annual	$32,915.00	$47,387.00	$51,630.00	$72,663.00

^ Source: https://www.superannuation.asn.au/resources/retirement-standard/

A modest lifestyle standard is defined as slightly above the Government Age Pension with limited expenditure on top of daily essentials.

A comfortable lifestyle standard allows for leisure and travel activities over and above the daily essentials. For couples it also includes a weekly spend of just under $100 on dining out, and just over $50 on clothing and footwear. The annual budget for travel is around $1,800, which might allow for the occasional holiday to nearby locations, but destinations further afield are out of reach.

These figures are a useful guide, but they may seem high or low, depending on the living standard you're used to. If you own your own home, a good rule of thumb is that most people will need around 70% of their take-home pay in retirement[1].

Life in retirement looks different for everyone, from day-to-day living, to planning the extraordinary.

Kenneth Young urges people to get clarity on how your savings are tracking. Knowing that you'll have enough income to keep pace with your retirement lifestyle can help you achieve that confidence for this next exciting stage in life. Speaking with a financial planner can help.

> **"Understanding if your savings are adequate for your retirement ambitions are important and there are strategies that can help bridge any shortfalls."**

1 https://moneysmart.gov.au/grow-your-super/how-much-super-you-need

Let's see how Ross and Christine extend the lifetime of their savings

Ross and Christine are aged 61, and ready to retire. They've estimated they need a combined income of $87,000 a year to live in retirement.
They have:

- A current combined salary of $160,000 (before-tax)
- Combined super: $720,000 (SASS benefit - $600,000 + other super $120,000)
- A family home
- $15,000 in shares
- $35,000 in the bank.

The challenge

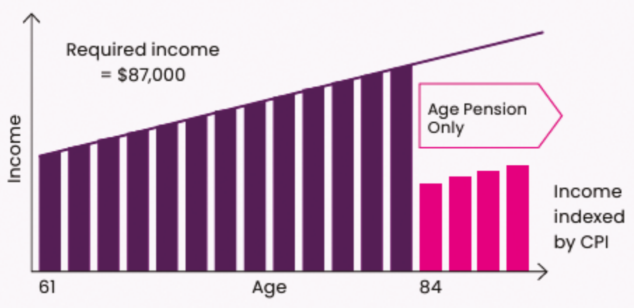
Our projections show that Ross and Christine will run out of their retirement savings at age 84, after which their only income will be the Government Age Pension. The Age Pension alone will not be enough to cover their cost of living.

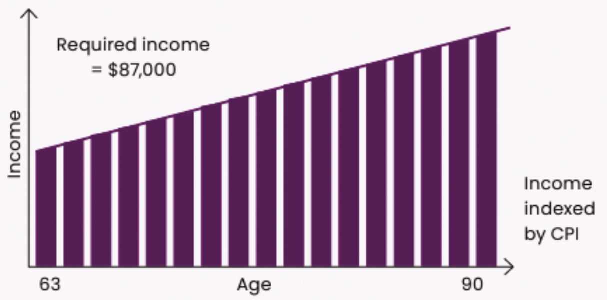
The strategy

Ross and Christine's financial planner suggests that they consider working two more years to meet their retirement income needs of $87,000 per year. By following the financial planner's recommendations, Ross and Christine increase their retirement savings to $878,000 and their income lasts beyond their life expectancy.

This example is for illustrative purposes only. It relies on various assumptions. If actual circumstances differ from these assumptions, actual results will be different.

Assumptions: CPI – 2.5%; saving cash account – 3.8%; Pension (Ross and Christine): investment return 5.75%, indexed by CPI; share portfolio – income (4.9%) and growth (4.8%).





CONTINUED - HOW TO MAXIMISE YOUR STATE SUPER BENEFIT SO YOU CAN RETIRE FOR LONGER, AND THE TOOL TO HELP YOU PLAN

Planning made super easy with My Retirement Planner

Even before you consult a financial planner, a great tool to get you started is the Aware Super My Retirement Planner™. Use this tool to see how your projected income might change based on when you decide to retire and if your circumstances change, such as early redundancy or moving to part-time work.

My Retirement Planner helps you maximise your savings to prepare for retirement, whether that's 2,10 or 20 years away. All you need to do is enter a few details, like your estimated benefit, and choose the lifestyle options you want in retirement.

The tool estimates how much money you'll need in retirement and how much income you are likely to receive in the future. The ups and downs of the market are taken into account to give you a realistic picture of how the future might unfold.

You can also check how your projected income might change, based on when you decide to retire or whether you make additional contributions to your super. If you find there's a gap between where you are and where you want to be, simply adjust your numbers to improve your position.

My Retirement Planner provides you with an action plan to help you get there, so you can feel more confident about your tomorrow, today. For State Super members approaching retirement using My Retirement Planner is a great first step to help get some clarity.

Aware Super financial planner Kenneth Young suggests that along with using the tool, it's worth considering speaking to a financial planner that understands how your scheme works.

> **"State Super has great schemes that you need to understand to ensure you're getting the most out of it for your retirement savings. If you don't understand your scheme, you could be missing out on thousands of dollars for your retirement."**

Retirement planning is all about getting your super savings in the best shape possible, so you can lead your life in retirement with confidence.

Would you like help?

Aware Super has a team of qualified financial planners* to help you reach your retirement goals with a personalised financial plan. They'll work with you to find out what you want to achieve, take a look at all your options, and put a plan in place that covers your full financial situation – not just your super. And you'll deal with the same person each time.

To book an appointment call **1800 841 633** or visit **aware.com.au/statesupe**r

*General advice only. Consider your objectives, financial situation or needs, which have not been accounted for in this information and read the relevant PDS and TMD before deciding to acquire, or continue to hold, any financial product. Advice provided by Aware Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430), wholly owned by Aware Super. You should read the Financial Services Guide, before deciding about our financial planning services. Issued by Aware Super Pty Ltd (ABN 11 118 202 672, AFSL 293340), trustee of Aware Super (ABN 53 226 460 36 aware super

Super helpful advice for your retirement

If retiring 'one day' has turned into 'just around the corner', we're here to help you get retirement ready.

Our experts – here to help

Our experts have been helping State Super members, public sector employees and their families with comprehensive planning for more than 30 years.

Scan here or visit
aware.com.au/statesuper

Call Aware Super on 1800 841 633 to book an appointment

General advice only. Consider if this is right for you having regard to your objectives, financial situation, or needs, which have not been accounted for in this information. Read the PDS and TMD before deciding to acquire, or continue to hold, any financial product. You should read the Financial Services Guide, before deciding about our financial planning services. Issued by Aware Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430); wholly owned by Aware Super (ABN 53 226 460 365). AS108 08/24

ASK AN EXPERT

SASS Active

QUESTION 1.

I'm a contributing member of SASS and I'm considering a career change in taking up a role in the private sector. What will this mean for my SASS benefit?

While career choices hinge on various factors beyond just superannuation, SASS members yet to accrue 180 benefit points must weigh the substantial superannuation benefits they stand to lose. It's crucial to assess if the new role's financial rewards, career growth, or lifestyle improvements justify forfeiting potential benefits.

Upon exiting the public sector, your contributing SASS membership ceases, freezing your accrued points. You're then faced with two options: defer your benefits within the scheme or transfer them to a different super fund. If you haven't reached the minimum retirement age within the scheme, it's advisable to obtain a benefit estimate from State Super Customer Service. This will help determine if deferring yields a more favourable outcome, at least until you reach the scheme's earliest retirement age.

Post-departure, neither you nor your new employer can further contribute to SASS, so you will need to open an account with another super fund, where your new employer must contribute to the Super Guarantee, currently at 11.5% of your salary, slated to rise to 12% by July 1, 2025. Note that with the exception of some limited circumstances, re-entering the NSW public service won't allow you to resume SASS contributions.

For those who've accrued 180 benefit points, the financial disparity between staying with SASS and receiving Superannuation Guarantee contributions diminishes. Your employer's contribution is capped at the Basic benefit plus if you're eligible the Additional Employer Contribution. The employer-financed benefit only grows if your salary does.

Another critical aspect in your decision-making is the shift from a defined benefit component upon deferring your benefit. As an active contributor, only your personal account was influenced by your chosen investment strategy's performance. In contrast, deferring means your entire benefit is invested and subject to the fluctuations of investment returns.

SASS Active

QUESTION 2.

I have reached 180 accrued benefit points, how do the 1 July changes to the concessional contribution cap impact the contributions to SASS that count towards the cap?

With the updates on 1 July 2024, the annual cap for concessional contributions has risen to $30,000.

For members of the State Authorities Superannuation Scheme (SASS), the contributions that count towards the cap are the actual contributions made by salary sacrifice to SASS, and a notional calculation for contributions made by your employer.

If you are making contributions on an after-tax basis, then your personal contributions will count towards the more generous non-concessional contributions cap, which has increased to $120,000 p.a for the 2024/25 financial year, and only your notional employer contributions will count towards the concessional contributions cap.

The formula for the notional employer contribution is a benefit factor for SASS Employer Financed Benefit, and one for SANCS which includes your basic benefit and additional employer contribution if you're eligible. These factors are multiplied by your superable salary to calculate the notional employer contribution.

The SASS benefit factor* is based on your percentage contribution to the scheme, whilst the SANCS benefit factor is 1.2% for all contributing members. For members who have the cap protection still in place, even if the total contributions exceed the cap, the amount reported by scheme to the ATO will be capped at the cap amount.

	1 July 2024 – 30 June 2025		
Standard SASS members' contribution rate Benefit Category	SASS Benefit Factor	SANCS Benefit Factor	Total Benefit Factor to use in formula calculation
3% or less	6.0%	1.2%	7.2%
4%	6.0%	1.2%	7.2%
5%	7.2%	1.2%	8.4%
6% or more	8.4%	1.2%	9.6%

Importantly once you have reached 180 accrued benefit points^, only the SANCS benefit factor multiplied by your salary is counted towards the concessional contributions cap.

For example, if you have a superable salary of $100,000 and are contributing at 9%, your salary sacrifice contributions (including the 15% contributions tax) will be $10,588, and your employer notional contribution will be 9.6% x 100,000 = $9,600. Giving a total contribution that count towards the cap to $20,188.

Once you reach 180 points, your employer notional contributions will reduce to 1.2%, so your total contributions that count towards the cap will reduce to $11,788.

For many members, once you reach 180 points you have room within the cap to make additional pre-tax contributions to super and save on tax. You won't be able to make these to SASS, but you could open an account with another super fund and make these contributions as either additional salary sacrifice contributions, or as a lump sum contribution for which you intend to make a tax deduction.

If you have a total superannuation balance of less than $500,000 at the end of the previous financial year, you may be entitled to contribute more than the general concessional contributions cap by carrying forward unused cap amounts from previous years.

It's important to keep track of your contributions to ensure they do not exceed the new cap, as all concessional contributions made to all your funds during a financial year are added together and counted towards your cap. For a detailed understanding of how these changes specifically affect your situation and develop a personalised plan for retirement it's important to consult with a financial planner.

* Benefit factors for SASS provided in the table relate to members with the standard features of SASS. Former members of SPSSF and NRF should refer to SASS Factsheet 16 Contributions Caps and your Total Superannuation Balance available at www.statesuper.nsw.gov.au/SASS for the appropriate benefit factors for their account.

^ If you reach 30 or more years SASS membership and 180 benefit points during the year an apportionment would be required.

ASK AN EXPERT

SASS Deferred

QUESTION.

I have a deferred account in SASS and I'm thinking about cashing some money out of my super to pay down some debt, is this a good strategy?

Deciding whether to cash out your superannuation to pay down debt or to leave it preserved until retirement is a significant financial decision that depends on various factors, including your age, the amount of debt, the type of debt, interest rates, and your retirement plans. Here are some considerations to help you make an informed decision:

1. **Cashing out from SASS:** It's important to note that once you cash out any amounts from SASS, you'll need to take it all out by rolling the balance over to another super fund that may not be as competitive on fees. If you haven't yet reached your earliest scheme retirement age, which for most members is age 58, you may end up with a lesser benefit than if you were to leave it deferred.
2. **Interest Rates vs. Investment Returns:** Compare the interest rate on your debt with the potential return on your super investments. If the interest saved by paying off the debt is higher than the expected return on your super, it might make financial sense to pay down the debt.
3. **Consider other strategies to manage your debt:** You may like to explore other strategies to reduce the interest burden on your debt by shopping around for a better loan and consolidating loans. Assess the urgency of the debt. High-interest debts like credit card balances should be prioritised, while low-interest debts might be manageable without tapping into your super.
4. **Tax Implications:** Withdrawing from your super may have tax implications, especially if you are under the preservation age and you can access the unrestricted non preserved component, the taxable component will attract a 20% tax liability plus Medicare levy of 2%. Additionally, super funds typically offer tax-effective investment growth. Once you reach age 60 any amounts cashed out of super will be free of tax.
5. **Retirement Savings:** Consider how withdrawing funds will affect your retirement savings. Super is designed to provide for your retirement, and early withdrawal will reduce your final balance. Cashing out your super may be an easy short fix to manage cash flow but needs to be done as part of an overall financial plan for retirement, ideally to rebuild the savings cashed out of super. The discipline of debt repayments can be somewhat replicated through salary sacrifice and regular savings plans to keep retirement goals on target. There are limits on the amount of money you can put back into superannuation.
6. **Investment related debt:** It may be a good strategy to pay down investment loans, particularly if you are close to retirement or in retirement, but it will really depend on the impact on your personal income tax.
7. **Super Preservation Age:** If you haven't reached age 60, except in limited circumstances such as Total Permanent Disability and financial hardship, you may not be able to access most of your super.

Remember, every financial situation is unique, and it's important to weigh the long-term benefits of preserving your super against the immediate relief of reducing debt. A financial planner will take the time to understand your situation and provide you with a personal financial plan to guide you towards the best course of action for your financial health and retirement goals.

SSS

QUESTION.

When I turn 60 in February next year, I plan to retire. Will my SSS pension start automatically, do I need to do anything?

Yes, you'll need to take action to commence your SSS retirement benefit.

Firstly, you'll want to make good decisions about timing your retirement:

1. Make sure you maximise your salary on your exit date as this will determine your unit entitlement and retirement benefit. Working arrangements such as shift loading, may impact your superable salary.
2. Consider what you will do with any leave accruals. Will you use them in the lead up to retirement to leave work earlier while you continue accruing benefits, or have them paid out at retirement? Consider any tax implications if you have the leave accrual paid out at retirement.
3. Consider career goals or achievements - superannuation is only one consideration in leaving a career. The upside of working beyond age 60 is that you will be helping to pay off any outstanding contributions and receiving a salary, the downside is that you will be forfeiting your SSS pension.
4. You may need to factor in any pay increase after you turn 60 - if you are expecting an increase you may like to obtain a benefit estimate to see what your pension increase is going to be.

Secondly, there are some important decisions you'll need to make about your SSS benefit:

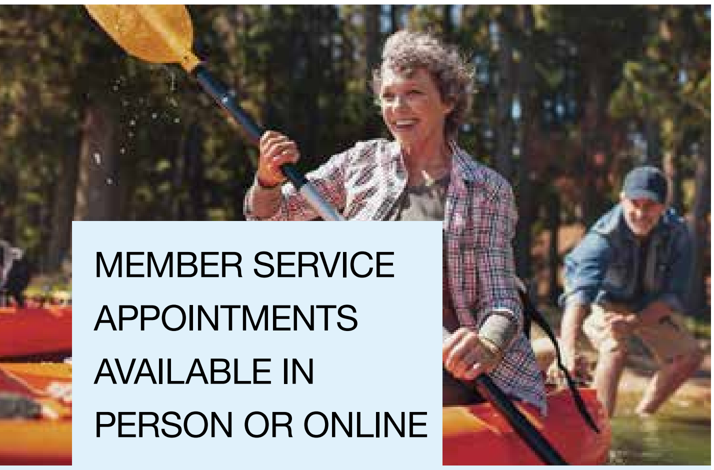
1. One of the most important decisions you'll make is whether to convert all or part of your pension to a lump sum. You have a six-month window after leaving your job to make this choice. Typically, opting for the pension provides a higher cumulative payout over an extended lifespan. However, it's essential to consider the break-even point, which can be determined with a thorough understanding of the retirement plan.
2. Consider how to pay off your outstanding contributions and take up all your units. Nearly all members will have outstanding contributions at retirement, and for most it will be worthwhile to pay these off and maximise the pension. You'll have the choice to pay these with your additional lump sum benefit, money from a bank account or converting part of the pension to a lump sum. Most members use their additional lump sum benefit, but it's important to note that this is a non-concessional contribution, so needs to be taken into account with any other contributions being made to stay within various caps.
3. What will you do with any lump sum benefit? If you have a balance remaining of your alternate lump sum or if you convert any pension to a lump sum, you'll need to decide whether to roll it over to another super fund or cash it out altogether.

Thirdly, you'll need to apply for your benefit to be paid.

This part of the process should be straightforward. Complete *SSS Form 512 – Application for Payment or Deferral of SSS benefits*, available on our website, or request a copy from Customer Service. If you are partnering with a financial planner, they will complete all the information in line with your documented financial plan. A couple of things to note:

1. You can complete this form anytime in the lead up to retirement or when you retire. State Super will be waiting on your employer to provide your exit information, so generally the process won't start until they have all the information.
2. Check that you have completed all the information for your spouse / partner details. This will be important for the reversionary pension entitlement.
3. Provide the necessary documents– these include certified proof of identity documents, or consent for the administrator to verify your information electronically, completed TFN documentation and certified copy of your bank statement. The list of documents, and people that can certify the documents, is included on the form.
4. Submit the form by post and keep a copy.
5. Finally, factor in enough cashflow to see you through until your pension commences - an average of 6 weeks. Your pension, when it does come through, will be backdated to your exit date.

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 appointment.

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.

Our webinar is presented in two 60-minute sessions 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 620 305** or go to **aware.com.au/state-super/events** where you can view dates and times that are convenient for you.

GET IN TOUCH

SASS Active 1300 130 095

SASS Deferred 1300 130 094

SSS 1300 130 096

PSS 1300 130 097

State Super
GPO Box 2181
Melbourne VIC 3001

statesuper.nsw.gov.au

enquiries@stc.nsw.gov.au

STATE SUPER
SAS Trustee Corporation

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