SA Police Superannuation



Pension Scheme

MEMBER BOOKLET

IMPORTANT INFORMATION

Trustee and Issuer

Police Superannuation Board ABN 68 265 633 782

Contact Details

Ground Floor 151 Pirie Street Adelaide SA 5000

(Entry via Pulteney Street Entrance to Super SA)

Email

admin@policesuper.sa.gov.au

Website

www.policesuper.sa.gov.au

This booklet provides you with a general description of the SA Police Superannuation Pension Scheme (the Pension Scheme) and its features. The information provided is not intended to be financial advice. If you are seeking advice, which takes into account your personal financial situation you should consult with a licensed financial adviser.

The Pension Scheme is a defined benefit superannuation scheme, which covers Police Officers who commenced employment with SA Police prior to 1 June 1990.

The Police Superannuation Board is the issuer of this booklet and the Board was established under the Police Superannuation Act, 1990. SA Police Super is a branch of SA Police and is responsible to the Board for the administration of the Pension Scheme. Funds SA, a separate statutory government body is responsible for the management and investment of the Pension Scheme.

An up-to-date version of this document is always available on the website. **www.policesuper.sa.gov.au**.

Non-materially adverse changes to information will be updated on the website which can be accessed at any time to review information.

CONTENTS

INTRODUCTION	4
SA Police Super	4
Police Superannuation Act – Rules of Pension Scheme	4
Privacy	4
Police Superannuation Board	5
Enquiry and Dispute Resolution Process	5
Funds SA	5
OVERVIEW OF PENSION SCHEME	6
MEMBERSHIP	7
SUPERANNUATION CONTRIBUTIONS	
Member Contributions	7
Employer Contributions	7
Salary Sacrifice Contributions	7
Superannuation Salary	8
Workers Compensation Payments	8
Leave Without Pay	8
Superannuation Surcharge	8
INVESTMENT OF FUNDS	
Funds SA	9
MEMBER ACCOUNT	
Member Contribution Account	9
Fees	10
MEMBER BENEFITS	
Retirement Benefits – Age 50 to Age 55	10
Retirement Benefits – Age 55 and over	12
Incapacity for Work	13
Death Benefits	17
Withdrawal Benefits	22
MEMBER COMMUNICATIONS	
Police Superannuation Board Website	23
Police Superannuation Board Communications	23
Online Benefit Calculator	24
ADDITIONAL INFORMATION	
Superannuation and Breakdown of Marriage	24
Commonwealth Government's Co-contributions	25
Taxation on Lump Sum Payments	26
GLOSSARY OF TERMS	26
CONTACT DETAILS	29

INTRODUCTION

SA Police Super

The information in this booklet is designed to provide you with a better understanding of the Pension Scheme and the options and benefits it offers to members. You are encouraged to read this booklet and keep it as a reference. There is a Glossary included in this booklet, which explains many of the terms used throughout the booklet.

The contents of the Member Booklet (Product Disclosure Statement) will be updated regularly, and the most up to date version is available to be downloaded from the SA Police Super website at www.policesuper.sa.gov.au

If you have any questions or require further information regarding the contents of this booklet contact SA Police Super by:

Telephone (08) 8204 2964 or (08) 8204 2965 Email admin@policesuper.sa.gov.au

Facsimile (08) 8204 2303

Address Ground Floor, 151 Pirie Street, Adelaide, SA 5000

Police Superannuation Act – Rules of the Pension Scheme

The Pension Scheme was established by the Police Superannuation Act, 1990 (the Act). The Act and accompanying Regulations set out the rules under which the Pension Scheme is administered and entitlements are paid.

You can access a copy of the Act and Regulations on the SA Police Super website or a copy can be purchased from the Government Legislation Outlet, 101 Grenfell Street, Adelaide (Phone 13 23 24).

You will be advised of any amendments to the Act or Regulations, which affect entitlements on the SA Police Super website and in the Report to Members forwarded with your Annual Contributor Information Statement.

Privacy

Your superannuation details are confidential. Under the Act, information about your entitlements can only be disclosed:

As required by, or under, any State or Commonwealth Act.

To you, or to someone else, with your consent.

To your employing agency.

On application, to your spouse or former spouse, under the Family Law Act 1975.

To any other person for purposes related to the administration of the Act as may be required by a Court of Law.

Police Superannuation Board

The Police Superannuation Board is responsible for the management and the administration of the Pension Scheme in accordance with the Police Superannuation Act and other relevant legislation.

The Police Superannuation Board comprises of the following 5 members:

- An independent Presiding Member;
- Two members nominated by the Government; and
- Two members nominated by the Police Association of South Australia

Enquiry and Dispute Resolution Process

If you have an enquiry or a complaint regarding your membership or entitlements, you can lodge an enquiry or complaint, to the Police Superannuation Board. The Board will consider all members' complaints. If you are dissatisfied with the Board's decision in response to your complaint you can obtain a review of the decision by:

- a) applying to the Board for a review of the decision; or
- b) pursuing the matter with the Police Association, SA Police, Local Member of Parliament or State Ombudsman; or
- c) pursuing the matter with the District Court.

All enquiries and complaints should be in writing and forwarded to:

The Secretary
Police Superannuation Board
151 Pirie Street
Adelaide SA 5000.

Funds SA

Funds SA is a statutory body established by the State Government to manage the investments of the Pension Scheme. Funds SA develops investment strategies for the investments it is responsible for and implements these strategies using a "manger of managers" approach.

This means that Funds SA engages a range of specialised investment managers to manage its investments. This approach aims to provide a high degree of diversification with respect to investment categories, managers, markets and the underlying investments.

More information about Funds SA can be found at www.funds.sa.gov.au

OVERVIEW OF THE PENSION SCHEME

Members of the Pension Scheme pay a member contribution based on a fixed percentage of their fortnightly superannuation salary.

The Pension Scheme provides the following defined benefits:

Retirement Benefits From Age 50 to Age 55, taken as a lump sum payment or preservation of the accrued police pension which becomes payable from Age 55 as a lifetime pension, adjusted twice annually (April and October) in line with the Consumer Price Index (for Adelaide). When the police pension becomes payable members have the option to commute any amount of pension up to 100 percent into a lump sum payment.

Retirement Benefits From Age 55 and over, payable as a lifetime police pension, adjusted twice annually (April and October) in line with the Consumer Price Index (for Adelaide). Members have the option to commute any amount of pension up to 100 percent into a lump sum payment.

Temporary Disability Pension, payable as a pension for a period of up to 12 months in the event of temporary incapacity for work within SA Police and the expiration of sick leave entitlements.

Total and Permanent Invalidity Benefits, payable as a lifetime police pension, adjusted twice annually (April and October) in line with the Consumer Price Index (for Adelaide). Members have the option to commute part of the pension into a lump sum payment.

Partial Incapacity Benefits, taken as a lump sum payment or preservation of the accrued police pension which becomes payable from Age 55 as a lifetime pension, adjusted twice annually (April and October) in line with the Consumer Price Index (for Adelaide). When the pension becomes payable members have the option to commute any amount of pension up to 100 percent into a lump sum payment.

Death Benefit, payable to a surviving spouse as a lifetime pension, adjusted twice annually (April and October) in line with the Consumer Price Index (for Adelaide). A spouse has the option to commute any amount of pension up to 50 percent into a lump sum payment.

Death Benefit, payable to an eligible child as a pension, adjusted twice annually (April and October) in line with the Consumer Price Index (for Adelaide).

Death Benefit, payable to the estate of a deceased member, as a lump sum, in the event there is no benefit payable to a surviving spouse.

MEMBERSHIP

Members of the Pension Scheme are Police Officers who commenced their employment with SA Police, prior to 1 June 1990.

SUPERANNUATION CONTRIBUTIONS

Member Contributions

Member contributions to the Pension Scheme are based on a defined fixed percentage of fortnightly superannuation salary of between 5 and 6 percent.

Member contributions are adjusted once a year in the first pay period in July to reflect changes in superannuation salary over the previous 12 months. Member contributions are based on the salary of a member's actual or highest rank and increment as at the proceeding 31 March. Contributions then remain unaltered throughout the financial year irrespective of any change in rank, increment or salary pay rise.

In the event that a member elects to work part-time during a particular financial year, the member has the option to maintain contributions at the full time rate until the next review in the following July or have contributions adjusted in line with the part-time salary.

Member contributions to the Pension Scheme will cease when:

- i) a superannuation benefit becomes payable; or
- ii) (generally) when you attain 60 years of age.

Employer Contributions

SA Police makes employer contributions towards benefits from the Pension Scheme at a level determined from time to time to be sufficient to meet the defined benefits payable.

Salary Sacrifice Contributions

Members of the Pension Scheme have the option to make additional contributions via salary sacrifice arrangements with SA Police.

Salary sacrifice contributions are not held within the Police Pension Scheme. These contributions are held with Super SA's Triple S scheme. Triple S can provide members with investment choice as to how their salary sacrifice contributions are invested with Funds SA

Superannuation Salary

Your superannuation salary is the salary applicable to the highest level of salary received in the highest grade (rank and increment) actually attained by you in a permanent position within SA Police. Salary received by way of a higher duties allowance and secondment positions are <u>excluded</u> for superannuation contribution purposes.

A higher duties allowance is used for superannuation benefit purposes in cases where a member is in receipt of a higher duties allowance at the date of separation from SA Police, and has been in receipt of that higher duties allowance for a <u>continuous period of</u> 12 months, immediately preceding the date of separation.

The superannuation salary of members who hold the rank of Senior Sergeant or below will be increased by 10 percent if the member has been rostered to work on day, afternoon and night shift, or any two of those shifts, on a rotating basis.

Workers' Compensation Payments

If you are in receipt of fortnightly workers compensation payments, you remain a contributor to the Pension Scheme and your member contributions are payable as if the workers' compensation payments were salary. However, if the workers compensation payments and any salary earned is less than the salary you would have received if back at work full time, the Board may allow a proportionate reduction in the required contribution for that period.

Leave Without Pay

If you take more than 2 weeks leave without pay, Board approval is required for you to be allowed to continue to contribute. To apply to maintain your contributions while on leave without pay it is necessary to complete the appropriate form. Please contact SA Police Super for this form.

Superannuation Surcharge

The Superannuation Surcharge was abolished from 1 July 2005. Any surcharge liability accrued prior to 1 July 2005 is still payable.

INVESTMENT OF FUNDS

Funds SA

Funds SA, a statutory body established under the Superannuation Funds Management Corporation Act 1995, is responsible for the management and investment of member and employer contributions to the Pension Scheme.

Funds SA develops investment strategies for the investments it is responsible for and implements these strategies using a "manager of managers" approach. This means that Funds SA engages a range of specialised investment managers to manage its investments. This approach aims to provide a high degree of diversification with respect to investment categories, managers, markets and the underlying investments.

Member and employer contributions to the Pension Scheme are invested by Funds SA in what is called the "growth" product. The asset allocation of the growth product is available from Funds SA's website

MEMBER ACCOUNT

Member Contribution Account

Members of the Pension Scheme make contributions on a fortnightly basis through deductions from their post tax salary. Contributions made by members are based on a fixed percentage ranging between five and six percent of superannuation salary. Member contributions accumulate in the Member Contribution Account with a crediting rate declared by the Board for the pension scheme division, as at 30 June each year.

Fund Crediting Rates

In line with the Board's crediting rate policy for member contribution accounts, the end of financial year crediting rate is based on the net rate of return (money weighted return net of investment fees and the Board's administration costs) for the pension scheme division each year, as advised by Funds SA.

The Board is required to determine an 'exit' crediting rate of return to be applied to the member contribution accounts of members of the Pension Scheme, who resign from SA Police during a particular financial year and elect to take a withdrawal benefit which consists of a refund of member contributions plus accrued interest.

Exit crediting rates are calculated on a weekly basis and are based on the year-to-date annualised rate of return for each week for the pension scheme division, as advised by Funds SA.

Fees

Amounts for fees, charges or expenses are deducted from the Scheme. These deductions are borne indirectly by the employer and members and may affect the investment return on any entitlements related to a cash withdrawal. These deductions do not affect entitlements related to your superannuation salary.

MEMBER BENEFITS

Retirement Benefits - Age 50 to Age 55

Members of the Pension Scheme who retire from SA Police between 50 and 55 years of age have the option to:

- elect to receive a lump sum retirement benefit (not subject to preservation) as a multiple of superannuation salary, based on their accrued membership of the Pension Scheme; or
- b) elect to preserve a police pension benefit, based on their accrued membership of the Pension Scheme, which will become payable after attaining 55 years of age.

Lump Sum Retirement Benefit Option

To maximise the lump sum benefit available between 50 and 55 years of age you are required to have at least 30 years membership of the Pension Scheme. If you have less than 30 years membership a proportionate lump sum benefit is payable. The following table shows the estimated lump sum benefit multiple of superannuation salary payable at various retirement and joining ages.

Age of Joining		Age 50 Retirement	Age 51 Retirement	Age 52 Retirement	Age 53 Retirement	Age 54 Retirement
20	or under	5.45	5.56	5.67	5.78	5.89
21		5.27	5.56	5.67	5.78	5.89
22		5.09	5.37	5.67	5.78	5.89
23		4.91	5.19	5.48	5.78	5.89
24		4.72	5.00	5.29	5.58	5.89
25		4.54	4.82	5.10	5.39	5.69
26		4.36	4.63	4.91	5.20	5.49
27		4.18	4.45	4.72	5.01	5.30
28		4.00	4.26	4.53	4.81	5.10
29		3.82	4.08	4.35	4.62	4.91
30		3.63	3.89	4.16	4.43	4.71

Preservation Pension Benefit Option

The percentage of fortnightly superannuation salary you have accrued during your period of membership of the Scheme to the date of separation from SA Police will be preserved. The preserved pension will become payable to you as a lifetime pension adjusted twice annually (April and October) in line with the Consumer Price Index (for Adelaide) from 55 years of age.

The following table shows the estimated preserved pension percentage of superannuation salary payable from Age 55 based on the age at separation from SA Police.

Age of Joining		Age 50 at Separation	Age 51 at Separation	Age 52 at Separation	Age 53 at Separation	Age 54 at Separation
20	or under	44.41%	45.89%	47.37%	48.85%	50.33%
21		44.19%	45.71%	47.24%	48.76%	50.29%
22		43.96%	45.53%	47.10%	48.67%	50.24%
23		43.71%	45.33%	46.95%	48.57%	50.19%
24		43.45%	45.12%	46.80%	48.47%	50.14%
25		43.18%	44.90%	46.63%	48.36%	50.08%
26		42.88%	44.66%	46.45%	48.24%	50.02%
27		42.56%	44.41%	46.26%	48.11%	49.96%
28		42.22%	44.13%	46.05%	47.97%	49.89%
29		41.85%	43.84%	45.83%	47.82%	49.82%
30		41.45%	43.52%	45.59%	47.67%	49.74%

Commutation of Preserved Pension

A preserved pension may be commuted into a lump sum within a period of three months from the commencement of payments. Any amount of a preserved pension up to 100 percent of the pension payable may be commuted into a lump sum payment.

Productivity Lump Sum Retirement Benefit

Upon retirement from SA Police, members of the Pension Scheme are also eligible to receive a lump sum productivity benefit, at any age from age 50 onwards. The productivity benefit is a multiple of annual superannuation salary based on completed months of membership occurring after 1 January 1988 or the date joined commenced service with SA Police, if that date was after 1 January 1988.

Retirement Benefits - Age 55 and over

From age 55, members of the Pension Scheme are eligible to receive a police pension as a percentage of superannuation salary. Your police pension is payable to you as a lifetime pension adjusted twice annually (April and October) in line with the Consumer Price Index (for Adelaide).

The following table shows the estimated pension percentage of superannuation salary payable at various retirements and joining ages.

Age of Joining		Age 55 Retirement	Age 56 Retirement	Age 57 Retirement	Age 58 Retirement	Age 59 Retirement	Age 60 Retirement
30	or under	51.82%	54.79%	57.75%	60.72%	63.69%	66.67%
31		49.75%	52.68%	55.61%	58.55%	61.49%	64.44%
32		47.67%	50.57%	53.48%	56.38%	59.29%	62.22%
33		45.60%	48.47%	51.34%	54.21%	57.10%	60.00%
34		43.53%	46.36%	49.20%	52.05%	54.90%	57.78%
35		41.46%	44.25%	47.06%	49.88%	52.71%	55.56%

The payment of a pension is subject to:

- a) a cash payment for annual leave entitlements; and or
- b) the receipt of workers compensation payments:

Cash Payment for Annual Leave Entitlements

If you are entitled to a payment from SAPOL (Payroll) in lieu of any days of unused annual leave, you are not entitled to receive a pension or lump sum payments *until the number of days of annual leave have been exhausted*.

Workers Compensation Payments

The receipt of workers compensation payments affects a pension payment in that the amount of the pension payable will be reduced by the amount of any workers compensation payments. If the payments of workers compensation equal or exceed the amount of pension payable, the pension payment will be suspended until the entitlement to the workers compensation payments cease.

Where a right to workers compensation payments has been surrendered in whole or in part by commutation or by agreement, the person who would have been entitled to those payments, if the right to them had not been surrendered will be taken, to be receiving them unless the person is a contributor and has reached the age of 60.

Commutation of Pension

A retirement pension may be commuted into a lump sum within a period of three months from the commencement of your pension payments. Any amount of a retirement pension up to 100 percent of the pension payable may be commuted into a lump sum payment.

Commutation works by giving you a set lump sum amount for each \$1 of annual pension commuted. This set lump sum is calculated using the "commutation factors" that are set out in the police superannuation regulations

The amount of lump sum payable is based on your exact age, in years and months, on the date of payment. The amount shown in the following table represents the gross amount you would receive, in a lump sum, for every dollar of annual pension you elect to commute.

Age	Amount
55	\$11.50
56	\$11.30
57	\$11.10
58	\$10.90
59	\$10.70
60	\$10.50
61	\$10.30
62	\$10.10
63	\$9.90
64	\$9.70
65	\$9.50

Productivity Lump Sum Retirement Benefit

Upon retirement from SA Police, members of the Pension Scheme are also eligible to receive a lump sum productivity benefit, at any age from age 55 onwards. The productivity benefit is a multiple of annual superannuation salary based on completed months of membership occurring after 1 January 1988 or the date joined commenced service with SA Police, if that date was after 1 January 1988.

Incapacity for Work

Members of the Pension Scheme who become temporarily or permanently incapacitated for work within the SA Police and under 60 years of age may qualify for:

- a) a temporary disability pension; or
- b) an invalid pension on the basis of total and permanent incapacity; or
- c) an invalidity lump sum benefit on the basis of partial incapacity.

Each of the above are outlined in detail below. Should you require additional information in respect of these benefits please contact SA Police Super (refer Page 4).

Temporary Disability Pension

If you become temporarily incapacitated for work through sickness or injury you may qualify for a temporary disability pension. A temporary disability pension may be payable for up to 12 months and may be extended a further six months in certain circumstances.

A temporary disability pension is not payable if:

- a) you are eligible for sick leave;
- b) you are entitled to weekly workers compensation payments:
- c) you are in receipt of annual leave or long service leave payments;
- d) you are 60 years of age or over.

Applications for a temporary disability pension are submitted to the Police Superannuation Board for consideration and determination. In line with the Board's procedures applicants are subject to an *independent medical assessment* by a medical practitioner selected by the Board. Applicants should be aware that the determination of a claim might take up to three months to complete. Whilst in receipt of a temporary disability pension, claimants will be required to apply for *special leave without pay from SA Police*.

The payment of a temporary disability pension is based on your Age 60 pension entitlement.

Member contributions to the Scheme will be suspended whilst in receipt of a temporary disability pension.

Total and Permanent Incapacity Invalid Pension

If you become permanently incapacitated for work through sickness or injury you may qualify for a total and permanent invalid pension. An invalid pension is based on a member's Age 60 pension entitlement as a defined percentage of fortnightly superannuation salary and payable upon separation from SA Police, on the grounds of invalidity.

The payment of an invalid pension is subject to:

- a) a cash payment for annual leave entitlements; and or
- c) weekly workers compensation payments:

Applications for invalidity benefits are submitted to the Police Superannuation for consideration and determination. In line with the Board's procedures applicants are subject to an *independent medical assessment* by a medical practitioner selected by the Board. Applicants should be aware that the determination of a claim might take up to three months to complete. The determination of an invalidity claim, based on total and permanent incapacity, is made by the Board when it is satisfied that the claimant's level of incapacity for all kinds of work (both inside and outside of SA Police) is 60 percent or more and likely to be permanent.

The following table shows the estimated pension percentage of superannuation salary payable upon retirement, on the grounds of invalidity for total and permanent incapacity at various joining ages.

Age of Joining		Age 60 Retirement Pension
30	or under	66.67%
31		64.44%
32		62.22%
33		60.00%
34		57.78%
35		55.56%

Cash Payment for Annual Leave Entitlements

If you are entitled to a payment from SAPOL (Payroll) in lieu of any days of unused annual leave, you are not entitled to receive a pension or lump sum payments *until the number of days of annual leave have been exhausted*.

Workers Compensation Payments

The receipt of workers compensation payments affects the receipt of an invalid pension payment.

The amount of the invalid pension payable will be reduced by the amount of any workers compensation payments. If the payments of workers compensation equal or exceed the amount of invalid pension, the pension payment will be suspended until the entitlement to the workers compensation payments cease.

Where a right to workers compensation payments has been surrendered in whole or in part by commutation or by agreement, the person who would have been entitled to those payments, if the right to them had not been surrendered will be taken, to be receiving them unless the person is a contributor and has reached the age of 60.

Commutation of Invalid Pension

An invalid pension may be commuted into a lump sum within a period of three months from the commencement of payments.

a) Members Under Age 55

Any amount of pension up to a maximum of 10 percent of the pension may be commuted into a lump sum payment. At age 55 any amount of pension up to a further 40 percent of the pension may be commuted into a lump sum payment.

At age 55 any amount of pension up to a maximum of 50 percent of the pension may be commuted into a lump sum in cases where the option to commute 10 percent at the time of retirement was not taken.

b) Members Age 55 and over

Any amount of pension up to a maximum of 50 percent of the pension may be commuted into a lump sum payment.

Partial Incapacity Lump Sum Invalidity Benefit

If you become permanently incapacitated for work through sickness or injury you may qualify for a partial incapacity invalidity lump sum payment. A partial incapacity lump sum payment is based on a member's accrued defined multiple of annual superannuation salary as at the date of separation from SA Police, on the grounds of invalidity.

Applications for invalidity benefits are submitted to the Police Superannuation for consideration and determination. In line with the Board's procedures applicants are subject to an *independent medical assessment* by a medical practitioner selected by the Board. Applicants should be aware that the determination of a claim might take up to three months to complete. The determination of an invalidity claim, based on partial incapacity, is made by the Board when it is NOT satisfied that the claimant's level of incapacity for all kinds of work (both inside and outside of SA Police) is 60 percent or likely to be permanent.

The following table shows the estimated lump sum multiple of annual superannuation salary payable upon retirement, on the grounds of invalidity for partial incapacity at various joining ages.

Age of Joining		Age 30 Retirement	Age 35 Retirement	Age 40 Retirement	Age 45 Retirement	Age 50 Retirement
		0.00	0.770	0.00		- 4-
20	or under	2.00	2.73	3.63	4.54	5.45
21		2.00	2.54	3.45	4.36	5.27
22		2.00	2.36	3.27	4.18	5.09
23		2.00	2.18	3.09	4.00	4.91
24		2.00	2.00	2.91	3.82	4.72
25		2.00	2.00	2.73	3.63	4.54
26		2.00	2.00	2.54	3.45	4.36
27		2.00	2.00	2.36	3.27	4.18
28		2.00	2.00	2.18	3.09	4.00
29		2.00	2.00	2.00	2.91	3.82
30		2.00	2.00	2.00	2.73	3.63

Productivity Lump Sum Invalidity Retirement Benefit

Members of the Pension Scheme who separate from SA Police, on the grounds of invalidity are eligible to receive a lump sum productivity benefit. The productivity benefit is a multiple of annual superannuation salary based on completed months of membership occurring after 1 January 1988 of the date joined the scheme, if that date was after 1 January 1988.

Death Benefits

The Pension Scheme provides a benefit for your beneficiaries if you die while you are employed by SA Police or while you are in receipt of a pension from the scheme. A death benefit may be payable to your surviving spouse, an eligible child or your estate.

Surviving Spouse – Death before Retirement

Upon the death of a member of the Pension Scheme prior to retirement from SA Police, a fortnightly pension benefit (2/3rds of member's age 60 entitlement) may be payable to a surviving spouse.

A surviving spouse is defined as:

- a) a lawful spouse if he or she was your lawful spouse at the date of death.
- b) a person who was cohabiting with you, at the date of death, as your husband or wife de facto continuously for the period of 3 years or for periods aggregating not less than 3 years during the period of 4 years immediately preceding the date of death: or
- a person who is the natural parent of a child of whom you are the other natural parent
- d) a person who was cohabiting with you at the date of death as your putative spouse.

The following table shows the estimated pension percentage of fortnightly superannuation salary payable to a surviving spouse upon the death of a member prior to the member's retirement at various joining ages.

Age of Joining		Spouse Pension
30	or under	44.44%
31		42.96%
32		41.48%
33		40.00%
34		38.51%
35		37.03%

Workers Compensation Payments

The receipt of workers compensation payments affects the receipt of a spouse pension payment. The amount of the pension payable will be reduced by the amount of any workers compensation payments. If the payments of workers compensation equal or exceed the amount of spouse pension, the pension payment will be suspended until the entitlement to the workers compensation payments cease.

Where a right to workers compensation payments has been surrendered in whole or in part by commutation or by agreement, the person who would have been entitled to those payments, if the right to them had not been surrendered will be taken, to be receiving them unless the person is a spouse of a deceased contributor – the contributor would have reached age 60 if he or she were still alive.

Commutation of Spouse Pension

A spouse pension may be commuted into a lump sum within a period of six months from the commencement of payments. Any amount of a spouse pension up to a maximum of 50 percent of the pension payable may be commuted into a lump sum payment.

Productivity Lump Sum Death Benefit

Upon the death of a member of the Pension Scheme a lump sum productivity benefit may be payable to a surviving spouse. The productivity benefit is a multiple of annual superannuation salary based on completed months of membership occurring after 1 January 1988 of the date joined the scheme, if that date was after 1 January 1988.

Surviving Spouse - Death after Retirement

Upon the death of a member of the Pension Scheme after retirement from SA Police a fortnightly pension benefit (2/3rds of the deceased member's pension payable at the date of death) may be payable to a surviving spouse.

A surviving spouse is defined as:

- a) a lawful spouse as at the date of death.
- a person who was cohabiting with you, at the date of death, as your husband or wife de facto continuously for the period of 3 years or for periods aggregating not less than 3 years during the period of 4 years immediately preceding the date of death; or
- a person who is the natural parent of a child of whom you are the other natural parent
- e) a person who was cohabiting with you at the date of death as your putative spouse.

Commutation of Spouse Pension

A spouse pension may be commuted into a lump sum within a period of six months from the commencement of payments. Any amount of a spouse pension up to a maximum of 50 percent of the pension payable may be commuted into a lump sum payment.

Eligible Child – Death before Retirement – Spouse Benefit also Payable

Upon the death of a member of the Pension Scheme, who is survived by a spouse, an additional fortnightly pension benefit may be payable to an eligible child or children. An eligible child is a child under 16 years of age or a child who is over 16 years of age but under 25 years of age and a full-time student. Upon ceasing to be an eligible child the pension payable to a child must cease.

The amount of pension payable to an eligible child is based on the number of eligible children and the deceased member's notional pension. The deceased member's notional pension is the amount of pension that would have been payable if the deceased member had attained 60 years of age.

For example, where the deceased member would have been entitled to a notional pension of 66.7 percent at Age 60, the estimated pension percentage of fortnightly superannuation salary payable to an eligible child upon the death of a member prior to the member's retirement would be as follows:

- a) up to 2 eligible children a pension of 11 percent of fortnightly superannuation salary each:
- b) three or more eligible children a pension of 11 percent of fortnightly superannuation salary each;

Workers Compensation Payments

The receipt of workers compensation payments affects the receipt of a child pension payment. The amount of the pension payable will be reduced by the amount of any workers compensation payments. If the payments of workers compensation equal or exceed the amount of child pension, the pension payment will be suspended until the entitlement to the workers compensation payments cease.

Eligible Child – Death before Retirement – No Spouse Benefit Payable

Upon the death of a member of the Pension Scheme who is not survived by a spouse, a fortnightly pension benefit may be payable to an eligible child or children. An eligible child is a child under 16 years of age or a child who is over 16 years of age but under 25 years of age and a full-time student. Upon ceasing to be an eligible child the pension payable to a child must cease.

The amount of pension payable to an eligible child is based on the number of eligible children and the deceased member's notional pension. The deceased member's notional pension is the amount of pension that would have been payable if the deceased member had attained 60 years of age.

For example where the deceased member would have been entitled to a notional pension of 66.7 percent at Age 60, the estimated pension percentage of fortnightly superannuation salary payable to an eligible child upon the death of a member prior to the member's retirement would be as follows:

- a) one eligible child a pension of 30 percent of fortnightly superannuation salary;
- b) two eligible children a pension of 26.6 percent of fortnightly superannuation salary each:
- three eligible children a pension of 20 percent of fortnightly superannuation salary each;
- d) four or more eligible children a pension percentage based on the notional pension divided by the number of eligible children.

Workers Compensation Payments

The receipt of workers compensation payments affects the receipt of a child pension payment. The amount of the pension payable will be reduced by the amount of any workers compensation payments. If the payments of workers compensation equal or exceed the amount of child pension, the pension payment will be suspended.

Productivity Lump Sum Death Benefit

Upon the death of a member of the Pension Scheme a lump sum productivity benefit may be payable to the deceased member's estate. The productivity benefit is a multiple of annual superannuation salary based on completed months of membership occurring after 1 January 1988 of the date joined the scheme, if that date was after 1 January 1988.

Estate – Death before Retirement No Spouse Benefit Payable – Child Benefit Payable

Upon the death of a member of the Pension Scheme where there is no spouse benefit payable but an eligible child pension benefit is payable, a lump sum benefit is also payable to the deceased member's estate.

The lump sum benefit payable to the deceased member's estate is a minimum of 2 times annual superannuation salary.

Estate – Death before Retirement No Spouse Benefit Payable – No Child Benefit Payable

Upon the death of a member of the Pension Scheme where there is no spouse benefit or eligible child benefit payable, a lump sum benefit is payable to the deceased member's estate.

Death on Duty

The lump sum benefit payable to the deceased member's estate is the greater of the following:

- a) 3 times annual superannuation salary; and
- b) 7 times annual superannuation salary.

Years of membership	Estate Benefit
30	7.00
25	5.83
20	4.67
15	3.50
10	3.00
5	3.00

Death off Duty

The lump sum benefit payable to the deceased member's estate is a maximum of 7 times annual superannuation salary after 30 years of membership of the Scheme.

The following table shows the estimated multiple of annual superannuation salary payable to a deceased member's estate at various periods of membership.

Years of membership	Estate Benefit
30	7.00
25	5.83
20	4.67
15	3.50
10	2.33
5	1.17

Productivity Lump Sum Death Benefit

Upon the death of a member of the Pension Scheme a lump sum productivity benefit may be payable to a surviving spouse. The productivity benefit is a multiple of annual superannuation salary based on completed months of membership occurring after 1 January 1988 of the date joined the scheme, if that date was after 1 January 1988.

Withdrawal Benefits

Members of the Pension Scheme who resign under 50 years of age have the option to:

- elect to preserve a police pension benefit, based on their accrued membership of the Pension Scheme, which will become payable after attaining 55 years of age;
- elect to receive a withdrawal benefit equal to the balance of their member contribution account.

Preservation Pension Benefit Option

The percentage of fortnightly superannuation salary you have accrued during your period of membership of the Scheme to the date of resignation from SA Police can be preserved within the Pension Scheme. The preserved pension will become payable to you as a lifetime pension adjusted twice annually (April and October) in line with the Consumer Price Index (for Adelaide) from 55 years of age. The following table shows the estimated preserved pension percentage of superannuation salary payable from Age 55 based on the age at separation from SA Police.

Age of Joining		Age 35 at Separation	Age 40 at Separation	Age 45 at Separation	Age 50 at Separation
20	or under	22.20%	29.61%	37.01%	44.41%
21	or under	21.33%	28.95%	36.57%	44.19%
22		20.41%	28.26%	36.11%	43.96%
23		19.43%	27.52%	35.62%	43.71%
24		18.38%	26.74%	35.10%	43.45%
25		17.27%	25.91%	34.54%	43.18%
26		16.08%	25.01%	33.94%	42.88%
27		14.80%	24.05%	33.31%	42.56%
28		13.43%	23.03%	32.62%	42.22%
29		11.96%	21.92%	31.88%	41.85%
30		10.36%	20.72%	31.09%	41.45%

Withdrawal Benefit

Members who elect to take a withdrawal benefit are also entitled to a lump sum benefit in accordance with the Superannuation Guarantee Charge (SG) legislation and a productivity lump sum benefit. The SGC benefit is a defined multiple of annual superannuation salary based on months of service since 1 July 1992. The SG benefit is compulsorily preserved and becomes payable, in cash, at age 55. The preserved SG lump sum benefits cannot remain with the Police Superannuation Scheme and must be rolled to a complying fund of the member's choice or the benefit can be rolled over to the State Government's Triple S scheme.

Productivity Lump Sum Withdrawal Benefit

Upon resignation from SA Police, members of the Pension Scheme are also entitled to a lump sum productivity benefit. The productivity benefit is a multiple of annual superannuation salary based on completed months of membership occurring after 1 January 1988 or the date joined commenced service with SA Police, if that date was after 1 January 1988. The productivity benefit is compulsorily preserved and becomes payable, in cash, at age 55. The preserved productivity lump sum benefit cannot remain with the Police Superannuation Scheme and must be rolled to a complying fund of the member's choice or the benefit can be rolled over to the State Government's Triple S scheme.

MEMBER COMMUNICATIONS

The Police Superannuation Board's aim is to provide members with accurate and up-todate information on the Pension Scheme.

Police Superannuation Board Website

Information relating to the Pension Scheme is available on the Board's website which is located at www.policesuper.sa.gov.au

Police Superannuation Board Communications

The Board provides the following communications to members of the Pension Scheme:

Annual Contributor Information Statement

Each year you will receive an Annual Contributor Information Statement showing details of your accounts with the Pension Scheme and your entitlements as at 30 June.

Report to Members

The Report to Members provides you with information on:

- The Scheme's investments and investment performance
- Fund crediting rates applied to your accounts
- Financial Statements
- Any changes that have occurred during the year
- Board members

Monthly Newsletters

Newsletters are published monthly on the Board's website and bi-monthly in the Journal of the Police Association of South Australia.

Fact Sheets

Fact sheets can be downloaded from the Board's website.

Online Benefit Calculator

Members can register online to obtain estimates of entitlements and view and print copies of the most recent Annual Contributor Information Statement.

ADDITIONAL INFORMATION

Superannuation and Breakdown in Marriage

The Commonwealth Government's Family law Act 1975, now provides for the division (splitting) of superannuation benefits in the event of a breakdown in marriage. Superannuation benefits do not have to be split and the sharing of other assets may avoid the splitting of a superannuation interest.

In cases where a decision is made to split a superannuation interest the provisions of the Police Superannuation Act enable a Non Member spouse (spouse of the member of the Pension Scheme) to have their share (a split) of a Member spouse (the member of the Pension Scheme) interest, as determined under a Superannuation Agreement or a Family Court Order. Under a Superannuation Agreement or a Family Court Order a split can be allocated as a dollar amount or a specified percentage.

In the splitting of a superannuation interest in the "growth phase" (ie the Member Spouse is a contributing member of the Pension Scheme) the Non Member spouse will receive a lump sum and that lump sum must be:

- rolled over to a nominated complying fund of choice; or
- rolled over to the State Government's Triple S scheme as the default rollover option.

The lump sum paid on behalf of the Non Member spouse is subject to:

- Commonwealth taxation laws relating to untaxed superannuation funds; and
- Commonwealth preservation laws, which generally means the lump sum will not be available to be paid in cash until the Non Member spouse retires.

In the splitting of a superannuation interest in the "payment phase" (ie the Member Spouse has retired and is in receipt of a pension) the Non Member spouse will have the option to:

- receive a share of the Member spouse's pension entitlement; or
- commute the entire share of the Member spouse's pension into a lump sum; or
- convert the share of the Member spouse's pension to an "associate pension" which is a pension payable in the Non Member spouse's own right.

The Non Member spouse is provided with full details of the above options and will have a period of up to three months to make a decision in respect of the above options.

Members of the Pension Scheme and their spouses or former spouses can obtain family law valuation information from SA Police Super to assist in obtaining a fair and equitable property settlement.

Family Law legislation does not apply to the breakdown of a de facto relationship.

Commonwealth Government's Co-contributions

The Commonwealth Government's Co-contribution applies to members of the Pension Scheme who make post-tax contributions to the Pension Scheme and whose income during a financial year is less than a prescribed level.

Members who are eligible for a co-contribution will have a payment, from the Commonwealth Government, paid into a separate account within the Pension Scheme. If you make a minimum post-tax contribution of \$1,000, the maximum amount of co-contribution you can receive for a financial year is \$1,000.

The following table, as provided by the Australian Taxation Office, shows the amount of co-contribution payable for a range of income levels to give you a guide as to what amount of co-contribution you may be eligible for:

Assessable Income plus reportable fringe benefits

\$1,000 or more post-tax contribution

\$31,920 or less \$1,000 \$1

Payments of co-contribution are calculated by the Australian Taxation Office from details you submit on your taxation return and details of post-tax contributions paid to the Pension Scheme provided by SA Police Super. Payments of co-contribution will be paid into the Pension Scheme on your behalf and then transferred to Super SA's Triple S scheme on your behalf. For further information regarding co-contributions refer to www.ato.gov.au

Taxation on Lump Sum Payments

If you receive a lump sum payment taxation is payable on the "taxable untaxed component" of the lump sum.

If you take your lump sum payment in cash the following table illustrates the amount of taxation payable.

ETP Component	Age under 55	Age 55 and under 60	Age 60 and over				
Tax free component	Tax free	Tax free	Tax free				
Taxable untaxed component	Taxed at 30%	\$180,000 taxed at 15% Over \$180,000	\$1,315,000 taxed at 15%, Over \$1,315,000 taxed at				
Post 30 June 1994 Invalidity	Tax Free	taxed at 30% Tax free	30% Tax Free				
The Medicare levy is also payable on the taxable components of a lump sum ETP							

If you rollover your PAYG payment to another fund, your new fund will deduct a contributions tax which is based on 15% of the "taxable untaxed component" of your lump sum.

GLOSSARY OF TERMS

Co-contributions

Co-contributions may be paid on behalf of a member of the Lump Sum Scheme if they make post tax contributions to the scheme and their assessable income and reportable fringe benefits are within certain limits. See Commonwealth Government's co-contributions.

Co-contribution Account

The account that is allocated to you and holds your Co-contributions plus interest earned. See Co-contribution Account.

Commonwealth Superannuation Guarantee

The minimum level of superannuation contributions required to be provided to employees by employers, as defined by the *Superannuation Guarantee (Administration) Act 1992 of the Commonwealth.*

Commutation of Pension

You have the option to convert part or all of your pension benefit to a lump sum. You must advise SA Police Super of your intention to commute:

- · no later than 3 months after retirement for a retirement benefit;
- · no later than 6 months after date of death for a death benefit payable to a spouse;
- · no later than 3 months after retirement, on the grounds of permanent invalidity;
- · no later than 3 months after your 55th birthday for permanent invalidity benefit.

Consumer Price Index (all groups Adelaide)

An index calculated by the Australian Bureau of Statistics, which measures the variation in the cost of living for Adelaide. It is a price index of the cost of a fixed basket of consumer goods.

If the variation in the Consumer Price Index (all groups Adelaide) for a particular year is negative, the Minister has the power under the Act to withhold the application of the negative adjustment to avoid a decrease in pension payments. In cases where the Minister withholds a negative adjustment, the next positive adjustment will be reduced to take this into account.

Defined Benefit Scheme

A defined benefit superannuation scheme is a scheme which provides superannuation benefits based length of membership and salary at the date of retirement. Defined superannuation benefits are not affected by investment returns or crediting interest rates.

Full-time Student

Between the ages of 16 and 25 years, and studying full time at an educational institution recognised by the Board for the purposes of education.

Funds SA

Funds SA is a statutory authority which manages the investment of contributions to schemes controlled by the Police Superannuation Board, and is established under the *Superannuation Funds Management Corporation of South Australia Act 1995*.

Member Contributions

Member contributions are deducted from salary as a post-tax deduction.

Member Contribution Account

The account that is allocated to you and holds your Member Contributions plus interest earned. See Member Contribution Account.

Member Spouse

The partner to a legal marriage who is a member of the Pension Scheme.

Non Member Spouse

The spouse or ex spouse of a legal marriage who may or may not be a member of the Pension Scheme.

Preserved Benefits

A preserved benefit generally is not payable until you attain 55 years of age. A preserved benefit may payable prior to Age 55 in the event of total and permanent incapacity for work or death.

Salary Sacrifice

Personal pre-tax contributions made from your salary before Pay As You Go tax is deducted. Pre-tax contributions are classified by the Australian Taxation Office as employer payments and therefore reduce your annual salary for taxation purposes.

Superannuation Interest

The value of an accrued benefit in the Pension Scheme.

Untaxed Fund

The Pension Scheme is an untaxed fund which does not pay the Commonwealth Government's superannuation tax on employer contributions and investment returns.

Undeducted Contributions

Personal post-tax contributions paid into the Pension Scheme from 1 July 1983 to the date of separation from the SA Police.

CONTACT DETAILS

If you require further information please contact SA Police Super:

Website www.policesuper.sa.gov.au

Email <u>admin@policesuper.sa.gov.au</u>

Personal Enquiries Ground Floor

151 Pirie Street Adelaide SA 5000

Postal Address 151 Pirie Street

Adelaide SA 5000

Internal SA Police Mail Code 128

Telephone (08) 8204 2964

(08) 8204 2965

Facsimile (08) 8204 2303

Disclaimer

This document is intended to provide members of the Pension Scheme with information and not advice. The information contained in this document should not be relied upon as advice or take the place of professional advice. This information in this document does not take into your personal objectives, financial situation or needs. Accordingly, before acting on the contents of this document, you should consider whether it is appropriate to you, having regard to your personal objectives, financial situation and needs.

ABN

68 265 633 782