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Throughout your active membership of the Pension or Lump Sum Scheme you have been accumulating Points. Points are used to work out your final entitlement when you leave the SA public sector.

Overview

To achieve your maximum entitlement in the Pension Scheme or Lump Sum Scheme, you must accrue the required number of Points.

You can elect to pay 3%, 4.5%, 6%, 7.5% or 9% of salary into the scheme, deducted from your after-tax salary. For Lump Sum Scheme members, the standard contribution rate is 6%. For Pension Scheme members, the required contribution is determined by your age when you joined the scheme and whether you joined the scheme under the old "Unit Scheme" (ie. before 30 June 1974).

Points and your final entitlement

To assist in working out your final entitlement, Points are allocated in line with your rate of contribution and your hours of employment.

The number of Points you accumulate, based on the actual contributions you are paying, are known as your Accrued Points. The number of Points you would accumulate if you contributed at the standard contribution rate for your hours of employment are known as your Standard Points.

If you are working full-time and making after-tax contributions at your standard contribution rate, you will accumulate one Point for each complete month that you are a contributory member of the scheme.

For Lump Sum members, the maximum Lump Sum entitlement is achieved when you meet **both** of the following criteria:

- 420 months (35 years) of contributory membership, and
- age 60.

If you are a Pension Scheme member, your maximum entitlement can be found on your annual statement.

To work out your final entitlement, your Accrued Points are compared to your Standard Points. Any shortfall between your Accrued Points and your Standard Points reduces your final entitlement.

If your Accrued Points are greater than your Standard Points, your final income entitlement is not increased. However, members of the Lump Sum Scheme will receive the additional amount, plus investment earnings, as a lump sum benefit on retirement.

Differences of less than one Point are not taken into account in the calculation of your final income entitlement.



If you're a Pension Scheme member, your standard contribution rate in the Pension Scheme is determined by:

- your age when you joined the scheme
- whether you joined the scheme under the Unit Scheme (ie. before 30 June 1974)

If you joined the Pension Scheme before 30 June 1974, you were paying into the Unit Scheme at between 2% and 4% of salary to receive an income of 60% of salary at age 65. When the Scheme changed on 1 July 1974 to provide an entitlement based on 66.67% of salary at age 60 after 30 years of contributory service, you were automatically transferred into the new scheme at the maximum benefit level. Your contribution rate gradually increased over a number of years until it reached your standard rate and, because the new scheme is based on 30 years of service at age 60, your points are deemed to accrue from your 30th birthday.



If you're a Lump Sum member, your standard contribution rate in the Lump Sum Scheme is 6%.

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Lump Sum

Members of the Lump Sum Scheme have a Member Component and an Employer Component in the scheme.

The Member Component is made up of your Member Account (your contributions plus investment earnings) and a Rollover Account (any amounts you have rolled from other schemes, plus investment earnings).

The Employer Component is, in most cases, a guaranteed entitlement, based on your final annual superannuation salary, your length of membership in the scheme, the percentage rates at which you elect to contribute and whether you work full time or less. Some Lump Sum members may also have a PSESS entitlement.

Circumstances that can cause your Points to accrue at a lesser rate

There are three circumstances that can cause your Points to accrue at a lesser rate and therefore reduce your final entitlement.

1. Averaging less than your Standard Contribution Rate during your contributory membership of the scheme.

If you choose to reduce your elected contribution rate at any time, you accrue fewer Points.

However, you are able to contribute at greater than your standard contribution rate to catch up your Points later on.

For example, if you are working full time but only contributing 3% of your salary instead of your standard rate of 6%, you will accumulate 0.5 of a Point each month instead of 1 Point. You will be able to catch up Points at some time in the future by contributing at 7.5% (1.25 Points per month) or 9% (1.5 Points per month).

Example

Peter works full time but has chosen to contribute for one financial year at 3% instead of the standard contribution rate of 6%. Therefore, he accumulates 12 months x 0.5 (ie 3%/6%) points per month = 6 points for the year.

If Peter had contributed at his standard contribution rate of 6% his Points would have been 12 months x 1 (ie 6%/6%) point per month = 12 points for the year.

For Peter to achieve a standard contribution rate of 6% over his total contributory membership, he can elect to contribute at 9% for one financial year. His points would then be 12 months x 1.5 (ie 9%/6%) per month = 18 points for the year.

During these two financial years, Peter has accumulated 6 points for the first year and 18 points for the second year, accruing 24 points over the two-year period. He has, therefore, "caught up" in the second year the points required to meet his standard contribution rate.

You can change your contribution rate on 1 July each year. Applications must be received by the preceding 30 April. The *Change to Contribution Rate* form can be obtained from the website and Member Services.

You should always check with Super SA or your financial adviser when considering altering your contribution rate to ensure the amendment will have the desired effect on your final entitlement.

2. Being employed part time during your Scheme membership

Part-time employment will reduce the number of Points that you accumulate each year compared to working full time and cannot be caught up.

If you have worked part time you will accumulate part of a contribution Point for each month, based on the percentage of time that you have worked part time and whether you have contributed at your standard contribution rate or not.

If you change your working hours after 31 March and

Example 1

Andrew works part time at 80% of full-time hours and is contributing at his standard contribution rate of 6% for one financial year. This means he will accrue 0.8 of a Point per month instead of 1 Point per month.

His total points for the year will be 12 months x 0.8 points per month = 9.6 points for the year.

This is the maximum number of Points Andrew can accumulate during his part-time employment and cannot be caught up to the full-time equivalent.

before 30 June in any year and you or your employer notify Super SA of this change, your contributions will be adjusted accordingly from July.

If you change on or after 1 July and you are still working the new amount of hours on the following 31 March, your contributions will change accordingly from July in the following year.



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Example 2

Rachel works part time at 50% of full-time hours and is contributing at her standard contribution rate of 6%, meaning she accrues 0.5 of a Point each month. On 2 July, Rachel begins working at 100% of full time hours. Rachel will continue to accrue 0.5 of a Point per month until 1 July in the following year, at which time, provided she is still working 100% of full-time hours at 31 March in that year, they will increase to 1 Point per month.

3. Having periods of membership when you do not contribute

If you reduce your contribution rate to 0%, or cease contributions due to Leave Without Pay (LWOP), you will not accrue any Points during this period. This is called Non-Contributory Membership and you cannot catch up the Points that you have missed.

Information about your Points

Remember, Accrued Points are the number of points that you have actually accumulated. Standard Points are the number of points that you need to accumulate to be eligible for your maximum entitlement. These are shown on your Annual Statement.

If the information on your Annual Statement shows that your Accrued Points equal your Standard Points, then you will be heading towards reaching your maximum Points and your maximum entitlement on retirement.

If, through periods when you have contributed at less than your standard contribution rate, you have fewer than your required Standard Points, you can contribute at a higher level than your standard contribution rate to close the gap as described above. As long as your final Accrued Points are within one Point of your Standard Points, you will receive your full entitlement.

If you have more Accrued Points than the required number of Standard Points, you can either continue to contribute at your current contribution rate or you can reduce your

contribution rate. Your entitlement will be calculated using your Standard Points, not your Accrued Points if your Accrued Points are greater than your Standard Points.

As already explained, you cannot make up the points you have lost through periods of part-time employment or Leave Without Pay.

You are able to track your Points on your Annual Statement to ensure that your Accrued Points are at least equal to your Standard Points so that you remain eligible for your maximum achievable entitlement.

If you want to know more about your Points contact our Member Services team on (08) 8207 2094 or 1300 369 315, or email supersa@sa.gov.au.

Disclaimer

The information in this document is intended to help you understand your entitlements in the Pension Scheme or the Lump Sum Scheme. Super SA does its best to make sure the information is accurate and up to date. However, you need to be aware that it may not include all the technical details relevant to the topic. For the complete rules of the Pension Scheme and the Lump Sum Scheme, please refer to the *Superannuation Act 1988*. The Act and accompanying Regulations set out the rules under which the Pension Scheme and the Lump Sum Scheme are administered and entitlements are paid. You can access a copy from the Super SA website.

The Pension Scheme and the Lump Sum Scheme are exempt public sector superannuation schemes and not regulated by the Australian Securities and Investments Commission (ASIC) or the Australian Prudential Regulation Authority (APRA). Super SA is not required to hold an Australian Financial Services Licence to provide general advice about the Pension Scheme and/or the Lump Sum Scheme.

The information in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Super SA recommends that before making any decisions about the Pension Scheme or Lump Sum Scheme you consider the appropriateness of this information in the context of your own objectives, financial situation and needs and seek financial advice from a licensed financial adviser in relation to your financial position and requirements.

Super SA and the State Government disclaim all liability for all claims, losses, damages, costs or expenses whatsoever (including consequential or incidental loss or damage), which arise as a result of or in connection with any use of, or reliance upon, any information in this document.



Catching up points

You CAN catch up on points if you have less points because you chose to contribute at a rate less than your standard rate at any time while you were still working.

You CANNOT catch up on points if you have less points due to a period of part-time work OR a break from work, such as a period of Leave Without Pay.