SUPER SA
contributing to your future

This document forms part of the Product Disclosure Statement dated 30 September 2020

# Triple S
# Reference Guide

Date of issue: 12 October 2020

# Let’s talk about your Super

Welcome to the Super SA Triple S Reference Guide. This guide forms part of a suite of documents where you’ll find all the information you need to develop a better understanding of Triple S. Please read the Triple S PDS, Reference Guide, Investment Guide and Insurance fact sheets so you can make informed choices when it comes to your superannuation.

There’s a lot of Super-speak and financial terminology, but we’ve tried to keep it as clear and simple as possible, so you’ll walk away Super-aware and empowered to make good decisions that will positively impact your financial future. Because we’re here to help you live your best life in your retirement years.

# Contents

# 1. How super works

Super is a highly effective way of saving for retirement. It's an investment in your future, and like any investment, it's all about achieving growth.

## CONTRIBUTIONS TO SUPER

Over the long term your super grows from investment returns and money that's added (contributed) to your account regularly, so the sooner you start growing your super, the better. Contributions are preserved until you reach age 55, unless you die or become permanently disabled or terminally ill.

There are many ways money can be contributed to your account, but the three main ways are:

i) Employer Superannuation Guarantee contributions

ii) Personal contributions

iii) Government co-contributions

We will now explain the meaning of each of these three types of contributions.

## i) EMPLOYER SUPERANNUATION GUARANTEE CONTRIBUTIONS

Your employer is required by law to make regular payments into your super i.e. your Triple S account, which is known as the Superannuation Guarantee (SG). These payments are the basic building blocks for your super.

The minimum SG amount is currently 9.5% of your ordinary earnings[1] and must be paid into your super account at least quarterly.

## ii) PERSONAL CONTRIBUTIONS

There are two ways to personally contribute to your super, which are set out below. The best way to make personal contributions depends on your income and the tax you pay. You can choose to make both after-tax and salary sacrifice contributions and take advantage of all the benefits.

**Before-tax contributions (Salary Sacrifice)**
Before Tax contributions are also known as 'Salary Sacrifice' and concessional contributions. For convenience we will just refer to it as salary sacrifice.

- You can salary sacrifice a percentage of salary or nominated amount of your salary, before income tax has been deducted.
- Additional contributions you make either as a percentage of salary after income tax has been deducted or paid as a lump sum.



**Benefits of Salary Sacrifice**
Salary sacrifice is having money taken from your before-tax or gross salary, and invested in your super, which may reduce your Pay As You Go (PAYG) tax. You are 'sacrificing' an amount of salary in the sense of not having your full salary in your hands now, by placing the 'sacrificed' amount in your super.

You can choose to salary sacrifice a set dollar amount or a percentage of your salary. Amounts are automatically deducted from your pay each fortnight.

**Concessional contributions and caps**
Contributions from your before-tax income are also referred to as 'concessional' because they are taxed at only 15%.

Many super schemes have an 'annual concessional cap' on the amount of money a person can salary sacrifice. However, Triple S:

- does not have annual concessional caps
- but it does have a lifetime cap for the amount of concessional contributions and investment earnings you can accrue. The current lifetime limit is $1,565,000[2]. If you exceed the lifetime cap, the excess funds will be taxed a higher rate on exit of the account.

**Other concessional contributions include:**

- Employer contributed amounts to an accumulation fund
- Notional employer contributions, if you also have a defined benefit fund.

**NOTE**: It is important to note that any concessional contributions made to Triple S will be counted towards your concessional contributions cap where you also receive concessional contributions to a taxed super fund. Although you will not exceed your concessional cap under Commonwealth Law as a result of concessional contributions made to Triple S, any additional concessional contributions made to a taxed fund may result in you exceeding the cap.

**Invested in the Lump Sum or Pension scheme?**
If you have super invested in the Lump Sum or Pension schemes, a separate cap of $1,565,000[2] applies for each scheme.

[1] The definition for ordinary time earnings can be found on the ATO website www.ato.gov.au.
[2] For the 2020–21 financial year.

### Other Salary Sacrifice facts

- If the sum of your income and relevant concessional tax contributions is over $250,000 per year, you'll be taxed at 15% of your taxable relevant concessional contributions for amounts above the $250,000 threshold.
- Contributions are included as part of the Taxable (untaxed) component of your superannuation lump sum. When you claim your entitlement, any part of the taxable (untaxed) component that exceeds $1,565,000 will be taxed at the top marginal tax rate plus the Medicare levy[3]. (Please refer to the table in the How super is taxed section of this Guide for the definition of 'Taxable (untaxed)'.
- Your super entitlement, including your salary sacrifice contributions will be taxed when you withdraw it from Triple S. In most circumstances this means it will be taxed at the concessional super rate.
- Salary sacrifice contributions do not reduce the income used in determining the eligibility of the co-contribution or other government benefits.
- You can change or cease salary sacrificing at any time.
- Salary sacrifice contributions go into your Employer Account.

> **NOTE:** Unlike after-tax contributions, if you choose to grow your super through salary sacrifice, you won't receive any extra employer contribution or qualify for the Commonwealth Government's co-contribution.

[3] If your marginal tax rate is lower, you may be eligible for reduced tax when you lodge your next tax return. This cap is for the 2020–21 financial year.



### How to make salary sacrifice contributions

You can choose between making contributions through your payroll office or through Maxxia.

***Maxxia***

Maxxia is the only approved salary sacrifice provider for SA Government employees. It charges an annual fee to salary sacrifice to your super. Contact them on 1300 123 123 for further information.

***Your payroll office***

Your payroll office will charge a fee to establish or change a salary sacrifice arrangement. Your salary sacrifice arrangement can remain in place for up to three years.

To contribute through your payroll office, download and complete a Salary Sacrifice – Employees with a Triple S Account form available to download from the website, or contact us to request one. To cease salary sacrificing please complete the Cancel Salary Sacrifice form from the Super SA website.

You will also need to sign and forward a Financial Advice Certification to your employer acknowledging that any financial advice required before entering into a salary sacrifice arrangement is your sole responsibility. This form is attached to salary sacrifice forms on the Super SA website.

**After-tax contributions (also referred to as non-concessional contributions)**

As its name suggests, an after-tax contribution is one on which you have already paid your tax. In other words, your employer will have deducted your PAYG tax amount. You then make a contribution to your super from your 'take home' pay.

**Non-concessional contributions cap**

The Commonwealth Government's taxation and super legislation governs this type of contribution. This type of contribution also has a cap. The rules are quite complicated but in summary they are:

- If your Total Super Balance is over $1.6m your non-concessional cap will be $0. (See heading below for explanation of Total Super Balance.)
- A $100,000 limit applies to after-tax contributions per financial year.
- If you are aged under 65 years at any time during a financial year, you can access 'bring forward' provisions and contribute up to $300,000 over 3 financial years[4].
- After-tax contributions you make to other super schemes (e.g. Pension Scheme, Lump Sum Scheme or personal funds) will be counted towards the contribution limit. If you breach these limits you will be taxed at the highest marginal rate on the excess amount after being given the opportunity to remove those funds.

**Total Super Balance**

Individuals with a total super balance of $1.6 million or above will have a non-concessional contribution cap of $0. The total super balance includes all super accounts, including those in retirement phase. Lifetime pensions have a balance determined in accordance with a formula set by the ATO. If your total super balance is over $1.6 million on 30 June, your concessional contribution cap for the following financial year is $0.

**Benefits**

- By contributing 4.5% or more of your gross Super Salary you'll receive an employer contribution of 10%. Please note that for members who are employed under a Total Employment Cost (TEC) arrangement (i.e. Executives), the additional employer contribution is paid from their existing TEC package.
- Because you've already paid tax on your after-tax contributions, only the investment earnings will be subject to tax when you eventually claim your super.
- You may also be eligible to receive the Commonwealth Government co-contribution, depending on your income (see Government co-contribution section for more information).
- There are no additional costs involved for members who choose to make after-tax contributions. You can change your contribution rate at any time and there is no charge for doing so.

**Other considerations**

If you make an after-tax contribution into Triple S, you are unable to claim a tax deduction (under section 290-170 of the *Tax Act*) because Triple S is an untaxed fund.

**How to make after-tax contributions**

You can set-up regular after-tax payments to be paid to your Triple S account from your after-tax salary through your employer. You have the flexibility to choose the amount you want to contribute[5], as long as it's 4.5% or a whole percentage of your gross Super Salary (e.g. 1%, 20%, 75%).

Choose between regular fortnightly contributions or once off lump sum payments:

- To set up regular fortnightly contributions, complete the Triple S Change to Contribution Rate form available to download from the Super SA website and return it to us and we will contact your agency's payroll office on your behalf.
- To make a one off lump sum payment, you will need to do so via BPAY. To BPAY, use biller code 465104 and contact us or go to **www.supersa.sa.gov.au** and log onto the member portal to get your BPAY Reference Number.

A minimum payment of $50 is required for BPAY after-tax contributions.

We are unable to accept cheque, money order or cash payments.

[4] Subject to transitional arrangements. Please visit www.ato.gov.au for more information.

[5] Refer to the How super is taxed section of this Guide.

# 1. How super works (continued)

**Downsizer contributions**
Members aged 65 or over can make a 'downsizer contribution' of up to $300,000 if you sell your primary residence that you've owned for at least 10 years. Your spouse may also be able to make a similar contribution into their own super account. The sale of your home needs to have been made after 1 July 2018 and your downsizer contribution needs to be made within 90 days after the change in ownership. A form is available at **www.ato.gov.au** which needs to be submitted at the time the contribution is made.

**First Home Super Saver Scheme**
Any contributions you make to your Triple S account, including any rollovers into the account, will not count towards the First Home Super Saver Scheme. Triple S is an untaxed fund and is therefore specifically excluded under Commonwealth rules.

### iii) GOVERNMENT CO-CONTRIBUTIONS

This refers to a Commonwealth Government scheme to help boost the super savings of people:

- whose total income[6] is less than $54,837[7] in a financial year; and
- who make after-tax contributions to their super in the same year.

For people who meet those criteria, the Commonwealth Government will contribute up to $0.50 for every $1.00 they contribute, to a maximum of $500.

The amount of co-contribution paid depends on your income and the personal after-tax contributions you made during the financial year. The ATO uses information from your super fund and your tax return each year to work out if you're entitled to receive a co-contribution. If you are entitled, the co-contribution amount will automatically be sent to your super fund for crediting to your account.

Payments received from the Commonwealth Government as part of the co-contribution scheme do not count towards the contribution limits.

[6] Salary sacrifice contributions will be counted as income when determining your eligibility for the Commonwealth Government's co-contribution and other government benefits.

[7] To receive the maximum co-contribution of $500 you need to contribute at least $1,000 after-tax and earn $39,837 or less a year. The co-contribution you can receive reduces on a sliding scale, and phases out altogether when your income reaches $54,837. For the 2020–21 financial year.



**Qualifying for a co-contribution**
To receive the Commonwealth Government's co-contribution you must satisfy all of the following conditions:

You must:

- Make at least one eligible after-tax super contribution during the financial year
- Have a total income of less than $54,837
- Not have held an eligible temporary resident visa at any time during the year
- Be less than 71 years of age at the end of the financial year in which you made your personal contribution
- Have at least 10% of your total assessable income and reportable fringe benefits attributable to eligible employment (as determined by the ATO)
- Lodge a tax return
- Provide you tax file number to Super SA

**Timing of payments**
We send the information concerning your after-tax contributions to the ATO by 31 October each year.

When the ATO has received this and you have lodged your personal tax return, they will match the data to work out the co-contribution you are entitled to receive. Then the co-contribution amount will be sent to Super SA to be credited to your super account.

**More than one super fund**
If you have more than one super fund, the ATO will decide which fund the co-contribution goes into, or you can nominate a super fund of which you are a member, providing the fund rules permit acceptance of co-contributions.

Only a person's after-tax super contributions attract a co-contribution.

**Ceasing SA Government employment**

Once you have ceased South Australian Government employment you will not be able to make further contributions to your Triple S account.

# 1. How super works (continued)

Refer to the table below to see how much you might be entitled to[8]. The minimum amount you can receive is $20.

| | If your after-tax super contribution is: | | | |
|---|---|---|---|---|
| | $1,000 | $800 | $500 | $200 |
| **And your total income is:** | **Your super co-contribution will be:** | | | |
| $39,837 or less | $500 | $400 | $250 | $100 |
| $40,837 | $467 | $400 | $250 | $100 |
| $42,837 | $400 | $400 | $250 | $100 |
| $44,837 | $333 | $333 | $250 | $100 |
| $46,837 | $267 | $267 | $250 | $100 |
| $48,837 | $200 | $200 | $200 | $100 |
| $50,837 | $133 | $133 | $133 | $100 |
| $52,837 | $67 | $67 | $67 | $67 |
| $54,837 | $0 | $0 | $0 | $0 |

## CONSOLIDATE ALL YOU SUPER INTO TRIPLE S

If you haven't always worked for the SA Government and have had more than one employer, chances are you've got more than one super fund. In this case, it might make sense to consolidate your super into one fund.

Here are three reasons why:

**Save money.** The more super accounts you have, the more it could be costing you in fees and charges. In the past decade, Australians pay $30 billion in superannuation fees per year![9]

**Save confusion.** It's less complicated to have one super account and you're less likely to lose track of your super.

**Save time.** Your time is valuable. A single super fund means less paperwork and less account admin time.

[8] For the 2020–21 financial year.
[9] INTHEBLACK 2019 – www.intheblack.com.

Things to consider:

1. Any part of your rollover that was subject to preservation before it was transferred to Triple S will remain subject to the Commonwealth Government's preservation requirements and can't be rolled out while you are still employed in the SA Government.
2. You also need to consider if you have insurance or other benefits with the funds that would cease if you rolled your money out.

**Roll in your super:**
**1. Online**
It usually takes less than a week for an electronic transfer to go through.

- Connect your **www.my.gov.au** account to the ATO
- Click the 'super' tab to see your other super accounts, choose the fund you want to transfer from and then choose your Triple S account as the receiving fund to roll into
- Please note there is a delay between when your Super SA account is activated and when it will appear in MyGov
- Confirm to start your roll in.

**2. Direct to Super SA**
It usually takes up to 30 days for a paper-based transfer to go through.

- Complete one Easy Roll In form (available for download from the Super SA website) for each super account you'd like to roll in
- Return your forms to Super SA.

**Get calculating!**

To help work out your best option, go to the Personal Super Contributions Calculator in the Knowledge Centre at **www.supersa.sa.gov.au**, or call Super SA on 1300 369 315 and we can calculate a comparison for you.

And If you'd like to see the effect personal contributions may have on your final entitlement, access the Super SA Projection Calculator on the Super SA website at **www.supersa.sa.gov.au.**

The Projection Calculator lets you choose your own parameters so you can see the differences your choices and different investment conditions might make to your final retirement entitlement.

## SPOUSE MEMBERS AND SPOUSE ACCOUNTS

When preparing for the future, you may wish to consider creating a spouse account for your spouse or putative spouse[10]. An eligible spouse or putative spouse can receive spouse contributions, contribution splits, Commonwealth Government co-contributions, rollovers, and members can make personal after-tax contributions and apply for voluntary Death Only Insurance cover. If a spouse member becomes an SA Government employee they will then become an active member of Triple S and receive general member entitlements.

**Putative spouse**
A person is the putative spouse of a member if the person and the member are cohabiting as defacto spouses and:

- have been so cohabiting continuously for the preceding three years, or for a total of not less than three out of the four preceding years, or
- a child of whom both persons are the parents has been born.

A person will also be recognised as a putative spouse of the member if in a Registered Relationship with the member (within the meaning of the *Relationships Register Act 2016*).

**The components of a Spouse account**
A Spouse Account will be made up of a maximum of three components:

- A Spouse Contribution Account, which will receive personal after-tax contributions made by the spouse member and eligible contributions made by the Triple S member in favour of their spouse
- A Rollover Account, which will receive all eligible rollovers from complying super funds and all payments received through contribution splitting
- A Co-contribution Account, which receives any Commonwealth Government co-contributions.

Employer contributions cannot be made into a Spouse Account.

[10] Refer to Beneficiaries section in this Guide for definitions.



**Contributing to a Spouse account**
A Spouse Account for a spouse member can be established by:

- A spouse contribution made by the Triple S member (minimum $50), or
- A contribution split from the Triple S member's account on behalf of their spouse (minimum $50).

Once established, a Spouse Account will accept:

- A contribution split from the Triple S member's account on behalf of their spouse (minimum $50)
- Personal after-tax member contributions (minimum $50)
- Eligible spouse contributions (minimum $50)
- Commonwealth Government co-contributions
- Rollovers from complying super funds.

For contributions received to a Triple S member's account in the 2019–20 financial year, and future years, the maximum amount of contributions that can be split is equal to the concessional contribution cap (currently $25,000[11]).

After-tax contributions made to other super schemes (eg.Pension Scheme, Lump Sum Scheme or personal funds) will be counted towards the contribution cap. If the cap is exceeded, the spouse member will be taxed at the highest marginal rate plus the Medicare levy after being offered an opportunity to remove the excess funds.

Spouse members cannot contribute to a Spouse Account if the Triple S member has ceased employment with the SA Government.

For further details regarding spouse entitlements, please refer to the Spouse member entitlements section of this Guide.

[11] For the 2020–21 financial year.

## CONTRIBUTION SPLITTING

Contribution splitting allows active members of Triple S to split their employer and salary sacrifice contributions with their spouse. Members of the Lump Sum and Pension Schemes who salary sacrifice into Triple S are also able to split these contributions to their spouse.

Contribution splitting gives a couple access to two accounts which may mean lower tax rates.

Contributions cannot be split to other super funds.

Contributions can only be split to a member's spouse if they are:

- Less than preservation age, or
- Between preservation age and age 65 and not retired from the workforce.

**What contributions can be split?**

| You can split up to 100% of: | You cannot split: | A contribution split can be made once a year: |
|---|---|---|
| – Employer contributions<br>– Salary sacrifice contributions<br>to the maximum annual concessional cap, currently $25,000[12] a year. | – Rollover amounts<br>– Amounts subject to family law conditions<br>– Personal after-tax contributions<br>– Government co-contributions<br>– Amounts received as a spouse contribution split. | – In the financial year following the year in which the contributions were made, or<br>– During the financial year the contributions were made if the entire entitlement is to be rolled over, transferred or cashed, before the end of that financial year. |

**Minimum balance**
The member must maintain a minimum account balance of $1,000 after each split. A $50 minimum amount will apply to all contributions split to the member's spouse.

**Investment choice**
Like members of Triple S, spouse members can choose their investment option or options, but if no choice is made, contribution splitting amounts will be invested in the Balanced option.

There are no charges for contribution splitting. All contributions split into a spouse's account are subject to Commonwealth preservation requirements.

[12] For the 2020–21 financial year.



## POLICE AND SA AMBULANCE

If you are a member of Triple S (Police) or a member of the SA Ambulance, the following specific arrangements apply.

**As an SA Ambulance Operational member[13]** you are required to make an after-tax contribution to your super of at least 4.5% of your gross Super Salary.

This means that you already receive an employer contribution of 10% instead of 9.5% SG.

You may choose to increase your after-tax contributions above the compulsory level as long as it is a whole percentage.

In addition, you may also choose to make salary sacrifice contributions.

**As a police officer** you are required to make contributions to your super of at least 4.5%[14] after-tax or 5.3% before tax (salary sacrifice) of your superannuation salary.

This means that you will also receive an employer contribution of 10% instead of 9.5% SG.

You can choose to increase your after-tax contributions above the compulsory level as long as it is a whole percentage. You can also make one-off after-tax contributions in addition to your compulsory 4.5% after-tax or 5.3% salary sacrifice contributions.

Police officers employed under contracts with fixed terms are not compelled to make contributions.

Police cadets, while at the Police Academy, are not required to make contributions but may choose to do so. Police cadets who make an after-tax contribution of 4.5% or more will also receive an employer contribution of 10% instead of 9.5% SG.

To change your member contributions to salary sacrifice contributions or make other changes to your contributions you will need to complete the Triple S Change to Contributions form.

[13] or SA Ambulance staff who transferred onto Triple S from the SA Ambulance Service Superannuation Scheme.

[14] Former Police Lump Sum Scheme members have a guarantee that their retirement entitlement in Triple S will be at least equal to the entitlement they would have received through the Police Lump Sum Scheme, as long as they continue to contribute at their Lump Sum standard after-tax contribution rate (between 5% and 6%).
Former Police Lump Sum Scheme members will forego their entitlement to a Guaranteed Minimum Retirement Benefit (GMRB[15]) if they reduce their after-tax contribution rate below their Lump Sum standard rate or do not make the nominated before tax (salary sacrifice) contributions at their required rate.

[15] Please refer to the Super SA website for more information on the GMRB.

# 2. Fees and costs

This section explains the fees and other costs you may be charged.

These may be deducted from your account, from the returns on your investment, or from the overall assets of Triple S.

Other fees, such as activity fees, advice fees for personal advice and insurance fees may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you.

Exit fees are not charged.

Information on how super is taxed can be found in the Tax section of this Guide. Insurance fees and other costs relating to insurance are set out in the Triple S Insurance fact sheets.

You should read all of the information about fees and other costs to understand their impact on your investment.

| Triple S Balanced option and other investment options | | |
|---|---|---|
| **Type of Fee** | **Amount** | **How and when paid** |
| **Investment fee** | Nil | No investment fees are charged directly to your account. The applicable investment costs are included in the indirect cost ratio (ICR). |
| **Administration fees** | $1.35 per week ($70.20 p.a.) | Deducted from your account on a weekly basis. |
| | **PLUS** 0.05% of your account balance, capped at $325 p.a.[16] | Calculated and deducted from your account on a monthly basis, based on your account balance at the end of each month. |
| **Buy-sell spread** | Nil | Not applicable |
| **Switching fee** | One free investment switch each financial year. Any additional investment switch will cost $20 each. | The fee for the second and subsequent switches are deducted from your account at the time of the switch. Switching fees are not applied when redirecting future contributions. |
| **Advice fees** | Nil | You will only be charged an Adviser fee if you agree to receive financial advice. These fees will be discussed and agreed with you. |
| **Other fees and costs** | | |
| **Indirect cost ratio (ICR)[17]** | Ranges from 0.04–0.96%. The ICR is different for each investment option. | Fee deducted from the Scheme's investment returns before earnings are allocated to your account which occurs through unit prices (not directly from your account). |

[16] Based on account balance at the end of each month.
[17] The ICR represents investment management costs for the 2019–20 year and varies across investment options. Investment management costs vary from year to year.

# 2. Fees and costs (continued)

## PROTECTION FOR LOW ACCOUNT BALANCES

If your Triple S account balance is less than $6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance, subject to a maximum refund limit (at the end of the financial year) of administration fee deductions during the year.

| Additional explanation of other fees and costs | | |
|---|---|---|
| **Fee or cost** | **Amount** | **How and when paid** |
| **Family Law fees** | | |
| Request for Information | $70 per request | Payable on application by EFT at the time of the request. |
| Splitting of superannuation entitlement | $100 for each party | |
| **Insurance costs** | | |
| Death and/or Total Permanent Disablement (TPD) | Premiums will depend on the type and amount of cover. (Refer to relevant Insurance fact sheets) | Cost deducted from your account each week. |
| Income Protection | | Cost deducted from your Employer account each time an employer contribution is received to your super. |



## INVESTMENT FEES

**Indirect cost ratio**
The indirect cost ratio (ICR) includes all costs that are not deducted directly from your account. This includes the cost of managing your investments.

The investment management cost includes fund manager fees (including performance fees and transaction and operating costs), asset consulting fees, custodian fees, investment-related legal advisory fees, and an administration fee that covers expenses incurred by Funds SA in managing the funds.

**Investment management costs**
The investment management costs cannot be precisely calculated in advance. The amounts may vary from year to year.

The table overleaf includes performance fees and transaction and operational costs. A performance fee is a fee paid to certain managers if their return performs above an agreed benchmark. A performance fee will not be paid if a matching period of underperformance has occurred in that year.

Transaction and operating costs include brokerage, stamp duty, transaction settlement costs, clearing costs, buy and sell spreads and other acquisition and disposal costs.

Both performance fees and transaction and operating costs are deducted from the assets of the investment option and reflected in the unit price. Members do not directly pay investment fees. Instead, the estimated cost of investment management is incorporated in the Indirect Cost Ratio (ICR) which is deducted from the investment returns of all Triple S funds under management as a whole before unit prices are applied to your individual account balance. All super funds are required to specify their investment fees.

For more information on investment options see the Investment Guide at **supersa.sa.gov.au**.

# 2. Fees and costs (continued)

## INVESTMENT FEES

| The amount you pay for specific investment options[18,19] | | | | |
|---|---|---|---|---|
| **Investment options** | **Base ICR** | **Investment performance fees** | **Transaction & operating costs** | **Total ICR** |
| **High Growth** | 0.71% | 0.08% | 0.12% | 0.91% |
| **Socially Responsible** | 0.82% | 0.00% | 0.14% | 0.96% |
| **Growth[20]** | 0.68% | 0.08% | 0.12% | 0.88% |
| **Balanced** | 0.60% | 0.07% | 0.12% | 0.79% |
| **Moderate** | 0.52% | 0.05% | 0.10% | 0.67% |
| **Conservative** | 0.42% | 0.01% | 0.08% | 0.51% |
| **Capital Defensive** | 0.36% | 0.01% | 0.04% | 0.41% |
| **Cash** | 0.04% | 0.00% | 0.00% | 0.04% |

[18] The ICR in the Product Disclosure Statement represents investment management costs for the 2019–20 year and varies across investment options. Investment management costs vary from year to year.

[19] Borrowing costs, property operating costs and other transaction/operating costs are explained below.

[20] Growth option will no longer be available after 25 January 2021.

## BORROWING COSTS

Borrowing costs may arise where money is borrowed by fund managers, for example to purchase an asset, pay for expenses or in the course of borrowing securities. The borrowing costs for the investment options are estimated to range between 0% and 0.09% for each option. These costs are deducted from the assets of the investment option and reflected in the unit price.



## PROPERTY OPERATING COSTS

As part of the ongoing management of property costs, certain expenses are generally incurred throughout the life of the investment, eg. council and water rates, utilities, lease renewal costs and general property management costs. The property operating costs for the investment options are estimated to range between 0% and 0.08% for each option. These costs are deducted from the assets of the investment option and reflected in the unit price.

## OTHER TRANSACTION/OPERATING COSTS

These transaction/operating costs (not included in any other category of cost) are related to market impact costs and are estimated to range between 0% and 0.12%.

The fees are defined in the Glossary of terms.

## CHANGES TO FEES AND COSTS

Occasionally fees and costs may need to rise to cover costs. The Super SA Board[^] can increase or alter fees at its discretion without your consent. If there is a change or increase to fees, Super SA will give you 30 days notice of any changes being implemented. Changes other than fees will be notified within three months of the change.

Triple S is a not-for-profit scheme and Super SA endeavours to keep the fees and costs low for members, therefore it is not possible to negotiate lower fees.

[^] South Australian Superannuation Board.

# 3. How super is taxed

**Triple S is an untaxed (also known as a tax-deferred) scheme, which means that the Commonwealth Government does not tax either your concessional contributions or your investment earnings until you leave the fund.**

Rather than paying tax up front, tax is charged when an entitlement is paid, in accordance with the Australian Taxation Office (ATO) rules for untaxed funds when your super entitlement is withdrawn from the scheme.

Unlike many other forms of savings, super is taxed concessionally. This essentially means that super is treated favourably under current tax legislation.

The two main factors that impact how your super is taxed are:

1. The various components that make up your balance, and
2. Your age when you take a benefit.

The following tables show:

- the names of the major components that may make up your entitlement. These tax components, or parts, make up your entitlement when it is paid.
- the concessional tax rates that apply at certain ages.
- your Commonwealth Government preservation age.

**Names of common tax components of your entitlement**

| Names of tax components | Meaning | Example |
|---|---|---|
| **Tax free component** | Monies already taxed | After-tax contribution from net salary |
| **Taxable (untaxed) component** | Monies yet to be taxed | Employer contributions, salary sacrifice, investment earnings |
| **Taxable (taxed) component** | Super already taxed | Funds rolled over from a taxed scheme |

**How tax is calculated on your Triple S entitlement[21]**

| Your age | Tax on taxable (untaxed) component | Tax on taxable (taxed) component |
|---|---|---|
| **Under Commonwealth preservation age** | 30% maximum tax rate up to $1,565,000[22] | 20% maximum rate (no limit) |
| **Commonwealth preservation age up to age 59** | 15% tax up to $215,000<br>30% tax on balance up to $1,565,000[22] | Taxed at 0% up to $215,000<br>15% tax on balance (no limit) |
| **60 or over** | 15% tax on amounts up to $1,565,000[22] | Tax free |

**Your Commonwealth Government preservation age depends on your date of birth[23]:**

| Date of birth | Commonwealth Government preservation age |
|---|---|
| Before 1 July 1960 | 55 |
| 1 July 1960 to 30 June 1961 | 56 |
| 1 July 1961 to 30 June 1962 | 57 |
| 1 July 1962 to 30 June 1963 | 58 |
| 1 July 1963 to 30 June 1964 | 59 |
| After 30 June 1964 | 60 |

[21] Assumes TFN provided. If you do not provide your TFN you will be taxed at the highest marginal tax rate plus Medicare levy. The 2% Medicare levy is deducted when tax is payable and you take your Triple S entitlement in cash.

[22] Taxable (untaxed) amounts over $1,565,000 will be taxed at the top marginal rate plus Medicare levy. If your marginal tax rate is lower, you may be eligible for reduced tax when you lodge your next tax return. This cap is for the 2020–21 financial year.

[23] Important note: Commonwealth preservation rules are different from preservation rules in Super SA schemes. You need to be aware of this if you are rolling money out of a Super SA scheme and into the Super SA Flexible Rollover Product.

## TAX AND CONTRIBUTION LIMITS

The annual employer and salary sacrifice limit, known as the 'concessional contributions cap', (currently $25,000[24] per annum) does not apply to contributions made to Triple S as an untaxed fund, in the same way that they apply to taxed schemes, including Super SA Select. Therefore there is generally no limit on the concessional contributions (ie. employer and salary sacrifice contributions) that can be made to Triple S each year.

The Commonwealth Government has set certain caps and limits on the amount of super contributions you can make or receive.

## LIFETIME LIMITS

Even though there's no annual concessional contribution cap in respect of contributions made to Triple S, it is important to note that a lifetime concessional contributions cap applies for untaxed funds (currently $1,565,000[24]).

**NOTE:** It is important to note that any concessional contributions made to Triple S will be counted towards your concessional contributions cap where you also receive concessional contributions to a taxed super fund. Although you will not exceed your concessional cap under Commonwealth Law as a result of concessional contributions made to Triple S, any additional concessional contributions made to a taxed fund may result in you exceeding the cap.

[24] For the 2020–21 financial year.



## LIMITS AND BREACH OF CAP IMPACT

| Non-concessional contributions component/limit | Breach implications |
|---|---|
| **After-tax** (non-concessional) contributions are limited to $100,000 each financial year or, if you are under age 65 during the financial year, you can bring forward the limit for two years to contribute up to $300,000 in one year. | If you exceed the limit on after-tax contributions you have the following options:<br>**Option 1:** Request Super SA to refund an amount equal to the excess contributions plus associated earnings using a valid Release Authority issued by the ATO; or<br>**Option 2:** Incur the highest marginal rate plus Medicare levy on the amount in excess of the cap. |
| **Before-tax contributions** made to Triple S are not subject to an annual cap, but a lifetime cap in Triple S does apply. | When claiming your Triple S super, if the portion which has not been taxed (employer contributions, salary sacrifice contributions and earnings) exceeds $1,565,000, instead of being taxed concessionally, the excess will be taxed at the top marginal rate plus Medicare levy. If your marginal tax rate is lower, you may be eligible for reduced tax when you lodge your next tax return. |

## TRANSFER BALANCE CAP

**Set by the Commonwealth Government, the Transfer Balance Cap is the upper limit on the total amount of super you can transfer into the retirement phase.**

The Transfer Balance Cap for retirement phase accounts is $1.6 million. If the total of all your retirement phase accounts (such as in a Super SA Income Stream) is in excess of the Transfer Balance Cap, you may have to remove the excess from the retirement income phase. You can choose to be paid the excess, or roll over to an accumulation phase account, such as the Super SA Flexible Rollover Product.

If you have more than $1.6 million in retirement phase accounts, you should seek financial advice.

For further information please call the ATO Super Helpline on 13 10 20 or visit **www.ato.gov.au**.

## DIVISION 293 TAX FOR HIGH INCOME EARNERS

If the sum of your income and relevant concessionally taxed contributions is over $250,000 per year, you'll be taxed at 15% of your relevant concessional contributions above the $250,000 threshold. If you are liable for the tax, you'll receive notification from the ATO advising you of the amount payable and your payment options. The ATO will issue a Division 293 tax notice that may be made up of:

- A due and payable amount in respect of accumulation interests (eg. Triple S)
- A deferred payment in respect of defined benefit interests (eg. Lump Sum and Pension schemes).

For information about your payment options, including the option to have your Division 293 tax liability paid from your Super SA account, please refer to the Super SA website. It is also noted that different rules apply to individuals who are classified as 'State Higher Level Office Holders' whose employers make certain contributions to constitutionally protected funds. They are generally exempt from Division 293 tax unless the contributions are made as part of a salary package (eg. salary sacrifice).

## HOW YOUR SUPER WILL BE TAXED IF ROLLED OVER TO ANOTHER FUND

If you roll over your entitlement to the Super SA Flexible Rollover Product or another taxed super fund, a 15% contributions tax will be deducted from the part of the entitlement called the taxable (untaxed) component.

**NOTE:** The Medicare levy is not payable when your Triple S entitlement is rolled over to a taxed fund. If your taxable (untaxed) component is over $1,565,000[25] the excess will be taxed at the highest marginal rate plus Medicare levy before your entitlement is rolled over. If you have super invested in the Lump Sum or Pension schemes, a separate cap of $1,565,000[25] applies for each scheme. You should therefore seek professional financial advice should you wish to consolidate super held in other untaxed schemes into Triple S, or vice versa.

[25] If your marginal tax rate is lower, you may be eligible for reduced tax when you lodge your next tax return. This cap is for the 2020–21 financial year.



## PROPORTIONING OF ENTITLEMENTS

Any entitlement taken in cash or rolled over to another fund will have the tax components calculated in the same proportions as the components that make up your total entitlement.

You are not able to select only your tax-free component. This means that payments in cash or rollovers to another fund will contain taxable amounts and you may need to pay tax on these.

## TAX PAYABLE UPON YOUR DEATH OR TOTAL AND PERMANENT DISABLEMENT, INCLUDING TERMINAL ILLNESS

In accordance with Commonwealth tax legislation:

| If your entitlement is paid | Tax payable |
|---|---|
| Due to total and permanent disablement | your Triple S entitlement will be taxed concessionally |
| Due to a terminal illness | it will be tax free |
| If you die | your Triple S entitlement is tax free if it is paid to your spouse/putative spouse |
| If you die but have no spouse/putative spouse | your Triple S entitlement will be paid to your Estate. If you have nominated a legal personal representative (Estate) with Super SA, your benefit will be paid to your Estate and distributed according to your Will or the Statutes |
| Where your Estate then pays your entitlement to your dependants, as defined in tax law | it will be tax free, however if it is paid to a non-dependant, tax will be payable |

## SUPERANNUATION SURCHARGE

The Superannuation Surcharge, was a tax imposed by the Commonwealth Government on your surchargeable contributions once your Adjusted Taxable Income had reached certain levels. The tax was introduced on 20 August 1996 and levied until 30 June 2005.

Surchargeable contributions were the total contributions paid into your scheme by your employer and included your salary sacrifice contributions. Any surcharge liability accrued prior to 1 July 2005 will be payable upon leaving Triple S, however members can elect to use a portion of their super entitlement to pay any outstanding surcharge liability rather than paying this with after-tax money.

# 3. How super is taxed (continued)

## DO WE HAVE YOUR TFN?

This simple step can save you a lot of money.

You've probably provided your tax file number (TFN) to your payroll office but that doesn't always mean they've passed it on to Super SA.

If you're not sure whether Super SA has your TFN on file, check your personal details on your Annual Statement or log into our member portal via the Super SA website.

It's not a legal requirement to provide your TFN but if you don't:

- You may miss out on the Commonwealth Government co-contribution
- When you withdraw your entitlement, your employer and salary sacrifice contributions will be taxed at the highest marginal tax rate
- You'll find it harder to trace your super if you happen to change jobs and lose track of your accounts.

## SUPPLYING YOUR TFN

**Online:**
Log into our member portal **www.supersa.sa.gov.au** and update your TFN.

**Post:**
Download the Tax File Number Notification form and send it to Super SA.



# 4. Accessing your super

## WHEN CAN YOU ACCESS YOUR SUPER?

As super represents savings for your retirement there are rules in place restricting access to your super. **Two types of rules affect your super: Commonwealth Government preservation rules and Triple S preservation rules.** In some circumstances you can access all or part of your super early or before you reach retirement.

As a Triple S member you may be able to access your super if one of the following occurs:

- Retirement (at or after age 55)
- Resignation (as a part cash benefit)
- Retrenchment
- Total and permanent disablement or terminal illness
- Severe financial hardship
- Compassionate grounds
- Death (accessible by your spouse/Estate).

In addition to the above, if you have reached your Commonwealth Government preservation age, you may be able to start accessing your super while still working through an arrangement known as Early Access to Super (EATS), which is explained further in the Early Access to Super section. As a state legislated super fund, Triple S is not subject to Commonwealth preservation rules except for any Commonwealth Government co-contribution received or any money that has been rolled over from other funds.

## ACCESSING YOUR ROLLOVER

Any part of your rollover that was subject to preservation before it was transferred to Triple S will remain subject to the Commonwealth Government's preservation requirements.

Preserved benefits are entitlements that can only be accessed when you have met a condition of release, such as permanently retiring from the workforce and reaching either your Commonwealth Government preservation age or Triple S preservation age, depending on whether the monies were accrued in Triple S or rolled in from an external super fund.

It is important to note that while you remain employed within the SA Government you cannot access any portion of your entitlement, including a rollover, either preserved or non-preserved, **unless you meet a condition of release, eg. resignation or retirement; or you enter into an Early Access to Super (EATS) arrangement.**

### RETIREMENT

If you retire at or after the age of 55, you can elect to receive a lump sum equal to the balance of your:

- Employer Contributions
- Personal Contributions (if any)
- Rollovers from other Funds (if any).

You can take your entitlement subject to applicable tax rates, which depend on your Commonwealth Government preservation age, or request to have it rolled over into the Super SA Flexible Rollover Product, Super SA Income Stream or any other complying super scheme.

If any part of your Rollovers from other Funds were subject to preservation when rolled into Triple S, the preserved amount will still be subject to Commonwealth Government preservation rules. In addition, any Government Co-contributions will be subject to Commonwealth Government preservation rules.

**FLEXIBLE ROLLOVER PRODUCT**

Rolling your Triple S balance into the Super SA Flexible Rollover Product upon resignation may enable you to maintain insurance, allow you to roll in other lump sums and can provide flexibility for future withdrawals or to set up an income stream.

### RESIGNATION

If you resign before you reach the age of 55, you are able to:

- Preserve your balance in Triple S, or
- Roll your account into the Super SA Flexible Rollover Product, or
- Roll your account into a complying super fund.

Some parts of your super may be withdrawn subject to the following:

**Employer Contributions:**

- You can elect to take your super as a cash entitlement if the balance is less than $200.

**Personal Contributions (if any):**

- You can elect to take your personal contributions as a cash entitlement (this is only available within three months of resignation)[26]

**Rollovers from other Funds (if any):**

- You can elect to take your Rollovers from other Funds as a cash entitlement provided it is not subject to Commonwealth Government preservation rules (this is only available within three months of resignation).

**Government Co-contributions (if any):**

- Please note that any Government Co-contributions are subject to Commonwealth Government preservation rules.

**Casuals terminating employment**

Please note that there are special rules for casual employees terminating employment under the *Southern State Superannuation Regulations 2009*.

If you are a casual working nine or more hours per week (or periods that average, over a three month period, nine or more hours per week), you are deemed to remain employed for a period of 12 months after the day you last performed casual work for your employer and cover will continue provided there are sufficient funds in your Employer Account to pay for insurance premiums.

For other information regarding further implications, please refer to the Insurance fact sheet.

### RETRENCHMENT

If you are retrenched from the SA Government before you reach the age of 55 you will receive an entitlement equal to the balance of your:

- Employer Contributions
- Personal Contributions (if any)
- Rollovers from other Funds (if any)
- Government Co-contributions (if any).

If any part of your rollovers from other funds were subject to preservation when rolled into Triple S, the preserved amount will still be subject to Commonwealth Government preservation rules.

[26] Subject to preservation rules and applicable tax rates.

# 4. Accessing your super (continued)

In addition, any Government Co-contributions will be subject to Commonwealth Government preservation rules.

The entitlement may be:

- Taken immediately in cash
- Preserved in Triple S
- Rolled over into the Super SA Flexible Rollover Product
- Rolled over into any other complying super fund.

### EARLY ACCESS TO SUPER (EATS)

EATS gives you the option to access your super while still working. If you have reached your Commonwealth Government preservation age and your account balance is $36,500 or above, you are able to take advantage of EATS.

This means you can roll over any amount over $30,000 from your Triple S account, to an Income Stream, as long you retain $6,500 in your account. You do not need to enter into a Transition to Retirement (TTR) arrangement to change your employment hours with your employer. However, you cannot take any portion of your super as a lump sum cash payment until you cease employment or reach age 65.

To take advantage of this early access option, you must:

- Have reached your Commonwealth Government preservation age
- Have a Triple S account balance of $36,500 or above.

For further high level details of what else you need to know please refer to the Extra information section of this Guide.

Examples of EATS arrangements are also available at **www.supersa.gov.au**.



### EARLY RELEASE OF SUPER BENEFITS ON SEVERE FINANCIAL HARDSHIP AND/OR COMPASSIONATE GROUNDS

For further information, please refer to content available at **www.supersa.gov.au**.

### TOTAL AND PERMANENT DISABLEMENT AND TERMINAL ILLNESS

In the event of total and permanent disablement, including terminal illness, you will receive a lump sum payment provided you meet eligibility conditions.

You may also be entitled to an insurance benefit. See the Death and TPD & Death Only Insurance fact sheet for more information.

### DEATH

If you die, your super entitlement will be paid to your spouse and/or putative spouse or your Estate. Death benefits paid to a spouse are generally tax free whereas payments made to an Estate may be subject to tax. Your spouse or Estate may also be entitled to an insurance benefit. See the Death and TPD & Death Only Insurance fact sheet for more information.

If you have nominated a legal personal representative (Estate) then your benefit will be paid to your Estate and distributed according to your Will. Your legal personal representative is the person appointed as the executor or administrator of your Estate, following your death. Refer to the Beneficiaries and your super entitlement section for more details.

## TEMPORARY RESIDENTS

If you entered Australia on a temporary resident visa which has expired or been cancelled and you have permanently left Australia, you can take your entitlement in cash.

If you were an Australian resident who has permanently left Australia, you are not able to access your preserved entitlement until you meet a condition of release (refer to the Accessing your super section of this Reference Guide).

## SPLITTING SUPER FOLLOWING THE BREAKDOWN OF RELATIONSHIPS

The *Family Law Act* enables divorced or permanently separated married couples and de facto couples (see putative spouse definition in Beneficiaries section) to split and share their accrued superannuation interests in the same way as other property in a relationship. It is up to the parties to agree how they will share their super assets or the family court can decide. Where they enter into a splitting agreement which includes sharing of superannuation assets, they will need to know the value of the accrued super. Super SA will charge a service fee for preparing the information and splitting the entitlement.

## POLICE MEMBERS

As a Triple S Police member if you retire at or after the age of 50, you can claim your super entitlement.

If you cash your benefit before you reach your Commonwealth preservation age, you will pay higher tax. Refer to the How super is taxed section of this Guide for further information.

Some special conditions may apply to you in relation to the following:

**Death and Total and Permanent Disablement and Terminal Illness**
If you die, your super entitlement may include an insurance component that will be paid to your spouse and/or putative spouse or your Estate.

In the event of total and permanent disablement, including terminal illness, you will receive a lump sum payment provided you meet eligibility conditions.

If your death or total and permanent disablement is caused by injuries received in the line of duty, you have a guaranteed minimum entitlement, calculated as three times your annual super salary.

**Former Police Lump Sum members**
If you were a former Police Lump Sum member who transferred to Triple S, you have a guarantee that your retirement entitlement in Triple S will be at least equal to the entitlement you would have received under the Police Lump Sum Scheme. This is known as the Guaranteed Minimum Retirement Benefit (GMRB).

You will be eligible for the GMRB if you:

- were an Active Police Lump Sum Scheme member on 30 June 2008
- maintained after-tax or before-tax contribution rates to Triple S at the required rate
- retire as a police officer after reaching the age of 50.

**When would the GMRB be applied?**
If the amount you would have received on retirement from the former Police Lump Sum Scheme exceeds your Triple S retirement entitlement, then any shortfall at the time of your retirement will be made up by an amount credited to your Triple S Employer Account, funded by the State Government.

**Do I need to do anything for the GMRB to be applied?**
Providing you continue to contribute at your standard Police Lump Sum Scheme member contribution rate or the required before-tax contribution rate, the GMRB will be calculated and, if required, applied automatically at the time of your retirement.

### PROOF OF IDENTITY

The Commonwealth Government has rules to help prevent money laundering and to counter terrorism activities. This means that you'll be required to provide proof of identity to verify who you are when withdrawing money from your super. A full list of the identification documents that can be accepted is online at **www.supersa.sa.gov.au**.

# 5. Beneficiaries

## BENEFICIARIES AND YOUR SUPER ENTITLEMENT

Triple S is governed by the *Southern State Superannuation Act 2009* (The Act) and Southern State Superannuation Regulations 2009.

## WHAT HAPPENS TO YOUR MONEY IF YOU DIE?

**Introduction**
All the money left in your Triple S account if you die is referred to by Super SA as a "Death Benefit".

A lot of people think that their Death Benefit automatically forms part of their estate and is distributed according to their Will (or under the laws of intestacy). That is not the case. A Triple S Death Benefit will be paid out according to a set hierarchy, which is:

1. To your Legal Personal Representative (LPR) if you have nominated one;
2. To your spouse or putative spouse, if you have one, and if you have not nominated an LPR; or
3. To your estate, if you have not nominated an LPR and are not survived by a spouse or putative spouse.

## LEGAL PERSONAL REPRESENTATIVE – THINGS YOU NEED TO KNOW

**Who should I appoint?**
Your LPR should be one of the executors or administrators of your Will.

**What makes a valid and effective nomination?**
Please use the Super SA "Binding Death Benefit Nomination Form Legal Personal Representative (Estate)" (the Form) available on the Super SA website. For your nomination to be valid, it must be:

- signed by yourself, in the presence of two witnesses over the age of 18, who are not your LPR nor a Super SA staff member.
- accompanied by the appropriate proof of identity documentation. Please refer to the Proof of Identity fact sheet attached to the nomination form for further information.

The nomination is not effective until Super SA receives the completed Form and appropriate Proof of Identify documents. In other words, if you die before then, the nomination will not be effective.

**Extending, updating or revoking a nomination**
A valid nomination is effective for 3 years from the date it was signed. You can extend an existing nomination before it expires by completing a new form. In that instance, you are not required to have the form witnessed or provide proof of identity documents. If you miss the expiration date, you will need to complete the original process again, as it is taken to be a new nomination.

You can revoke your nomination at any time prior to the three year expiry date by completing a Form by ticking the revocation box. Requests to revoke an existing nomination will take effect on the date Super SA receives them.

**Payment under a nomination**
If your nomination is valid and effective, your Death Benefit will be paid to your LPR who will distribute your estate according to your Will.

If your nomination expires or is invalid at the time of your death, Super SA will pay your Death Benefit to your spouse or putative spouse and if you have no spouse or putative spouse, to your estate.

If there was a valid nomination in place at the date of death but it expires before the Death Benefit is paid, payment will still be made to your LPR.

Death Benefits distributed by your LPR or executors or administrators, to your "dependents", as defined in tax law, will be tax free, but if distributed to a "non-dependent", again as defined by tax law, Death Benefits will be taxed.

**What happens if my circumstances change?**
Keeping your LPR nomination and Will up-to-date at all times is important. If your circumstances change, for example in the event of marriage, your previous Will becomes invalid. In the event of divorce, you may want to change the beneficiaries.

**Will I be charged a fee for making a nomination?**
Currently, there is no cost for making or renewing a nomination.

**How can I check my nomination?**
You will receive written notification from Super SA confirming your LPR nomination, including the expiry date. However, if you wish to check your nomination you can contact Super SA.

**Power of Attorney**
A new nomination or a request to revoke an existing nomination cannot be made by the person acting as the member's Power of Attorney. However, a Power of Attorney acting on behalf of the member/investor can confirm a current nomination.

# 5. Beneficiaries (continued)

**What if I have more than one Super SA Account?**
It is important that you tell us each account that you would like to apply your nomination. When completing the nomination form you will be asked to list each account number that applies.

## SPOUSE OR PUTATIVE SPOUSE

Your spouse is the person to whom you are legally married.

Your putative spouse is a person who, on a certain date, was cohabiting with the other person as their de facto spouse and:

- they have been so cohabiting continuously for the preceding period of 3 years; or
- in the preceding 4 years cohabited for periods aggregating not less than 3 years; or
- a child, of whom both people are the parents, has been born (whether or not the child is still living); or
- they were in a registered relationship with the other person under the *Relationships Register Act 2016*.

Death Benefits paid to your spouse or putative spouse are generally tax free.

## ESTATE

If you do not have an LPR or spouse or putative spouse, your Death Benefit will fall into your estate and will be distributed in accordance with your Will or the laws of intestacy (if you do not have a Will).

## SPOUSE MEMBERS

Spouse members can also nominate an LPR by completing the Binding Death Benefit Nomination Legal Personal Representative (Estate) form.

## FINANCIAL ADVICE

Making a binding death benefit nomination is an important decision. You may wish to seek financial advice from Industry Fund Services (IFS) or speak to your own financial planner. If you get financial advice from IFS you can pay for the financial planning service direct from your Triple S account.



# 6. Spouse member entitlements

## INSURANCE OPTIONS FOR SPOUSE MEMBERS

Standard or Fixed Benefit Death Only cover is available to Triple S Spouse members. Spouse members need to apply for this cover, as it is not automatically provided.

Death Only Insurance premiums are charged per unit per week. Spouse members who have been approved for Death Only Insurance have their premium deducted from the Spouse Contribution Account. If there are insufficient funds in this account, the premium is deducted from their Rollover Account or Co-contribution Account. Premiums will depend on the amount and type of cover you have. For more details on the Triple S Death Only cover, please refer to the Death and TPD and Death Only fact sheet.

## ELIGIBILITY TO JOIN THE SUPER SA FLEXIBLE ROLLOVER PRODUCT AND THE SUPER SA INCOME STREAM

Spouse members are eligible to join the Super SA Income Stream and the Super SA Flexible Rollover Product as a spouse member, provided they are the spouse of an SA Government employee scheme member (eg. Pension Scheme, Lump Sum Scheme, Triple S).

## TRANSFERRING INSURANCE FROM TRIPLE S TO THE FLEXIBLE ROLLOVER PRODUCT (FRP)

Spouse members of Triple S may, within 60 days of becoming eligible for a benefit in Triple S, invest in the FRP and transfer their Death Only Insurance in Triple S to the FRP on the same terms, conditions and restrictions. Any limitations that applied in Triple S will continue to apply. Refer to Extra information for details of when a Triple S spouse member is entitled to a benefit.

Refer to the Insurance and Leaving the Public Sector fact sheet for details on transferring your insurance.

## TAXATION

For taxation purposes, the spouse member's Eligible Service Period will commence from the earliest Eligible Service Date from all rollovers received into the Spouse Account.

If no rollovers are received, the Eligible Service Date will be the date that the first contribution was received into the Spouse Account.

Rollovers from untaxed funds, plus investment earnings, will not be taxed when received into the Spouse Account. These monies will be taxed in accordance with the ATO rules for untaxed funds, on withdrawal of the spouse member's entitlements from Triple S.

Members may be eligible to apply for a tax rebate for making a spouse contribution to the Spouse Account on behalf of the spouse member.

# 6. Spouse member entitlements (continued)

## PAYMENT OF ENTITLEMENTS

**Payment of Spouse member entitlements**
As a Triple S Spouse member, payment of entitlements from a Spouse Account can only be released when one of the following occurs:

- The Triple S member:
  - has ceased employment with the SA Government, or
  - has transferred their benefit out of Triple S, or
  - has received an Early Access to Super entitlement, or
- The spouse member:
  - suffers physical or mental disablement and the Super SA Board approves the release of the account, or
  - is no longer the spouse of the Triple S member, or
  - has reached age 65, or
  - dies.

While meeting one of the above conditions allows the spouse member to roll their funds out of Triple S, the spouse member must also have met preservation and a condition of release in order to access their entitlement in cash. See preservation age chart in How super is taxed section of this Guide.

**Disablement entitlements**
Should the spouse member become totally and permanently disabled, the spouse member may apply to the Super SA Board for the release of their super entitlement.

If the claim is approved, the spouse member will receive a lump sum comprising:

- The balance of the Spouse Account, plus
- Investment earnings
- Minus any outstanding fees, charges and premiums.

Spouse members cannot purchase Total and Permanent Disablement Insurance, therefore there is no insurance component payable.

**Death entitlements**
Spouse members have the option to nominate a legal personal representative (Estate) with Super SA. This means that, in the event of their death, their death benefit will be paid to their Estate and distributed according to the Will or Statutes. Refer to the Binding Death Benefit Nomination – Legal Personal Representative (Estate) content in this Reference Guide for more information.

If a legal personal representative (Estate) has not been nominated, the death benefit will be paid to their spouse/putative spouse or, if there is no spouse/putative spouse,
to their Estate.

At the date of the spouse member's death, evidence of any spouse/putative spouse relationship will be required.
Please refer to the Application for Payment in Relation to a Deceased Member form for information about requirements.

The death entitlement is made up of:

- The balance of the Spouse Account, plus
- Investment earnings, plus
- An insurance component (if any)
- Minus any outstanding fees and premiums.

# 7. Extra information

## GETTING HELP

**Member Services**
Member Services is a good place to start when you're looking for ways to grow your super. And it's free!

Member Services can't give you personal financial advice but can provide information to help you make informed decisions about your super, including:

- Showing you a comparison of how making after-tax or salary sacrifice contributions will affect your take home pay to help you decide what's best for you
- Showing you how other Super SA products can work for you
- Explaining the investment options available to you and resources to help you choose an investment option
- Telling you about tax payable on super.

To speak to Member Services, call 1300 369 315.

**Member Education team**
Super SA's Member Education team are a dedicated team whose sole purpose is to educate Super SA members and agencies. The Member education team regularly release articles and videos to keep you up to date. Super SA members gain access to online and in-person seminars which distil the complex superannuation landscape into easily understandable sessions. Super SA understands that sometimes it's easier for us to come to you, so we facilitate worksite visits which can range from a one off seminar to a complete series. To book one of Super SA's highly experienced and qualified Member Education Team members please contact superbookings@sa.gov.au.

**Personal financial planning advice**
You are encouraged to seek professional advice in relation to your financial planning needs. Getting good financial planning advice is essential to growing your super.

If you consult a financial adviser additional fees will be payable. If you're looking for detailed personal advice, you can choose your own financial planner or you can take advantage of the commission-free financial planning service available to Super SA members. Check supersa.sa.gov.au to find out more.

Please note: Super SA does not charge commissions or receive commissions from financial advisers, sales agents or any other person or entity.



## EARLY ACCESS TO SUPER (EATS)

**What else do I need to know?**

- When you roll any portion of your entitlement into a separate Super SA Income Stream account, 15% contributions tax will be deducted from the Taxable (untaxed) component
- Taxable (untaxed) amounts over $1,565,000[27] will be taxed at the top marginal rate plus Medicare levy. If your marginal tax rate is lower, you may be eligible for reduced tax when you lodge your next tax return. Refer to the How your super is taxed section of this Guide for further information
- The minimum opening balance required for a Super SA Income Stream is $30,000
- Your income stream payments must be between 2%[27] and 10% of the account balance until you reach age 65, or permanently retire, or cease an employment arrangement after the age of 60 according to Commonwealth Government legislation
- Your employer will continue to make regular Superannuation Guarantee contributions at the standard 9.5% into your current Triple S Employer Account
- The tax treatment of your income stream payments differs depending on whether your age ranges from Commonwealth preservation age to 59 years, or 60 years and over
- Investment income supporting transition to retirement (including Early Access to Super) is taxed up to 15%. If you are in the retirement phase then investment income earnings are tax free
- Amounts held in EATS or Transition to Retirement arrangements do not count towards the Transfer Balance Cap.

**Early Access to Super step-by-step process:**

1. Seek professional financial advice.
2. Contact Super SA to confirm your eligibility and obtain a quote.
3. If you wish to proceed, complete the Application for Early Access to Super form, available on the Super SA website.
4. When rolling your super into the Super SA Income Stream, complete the application form in the back of the Super SA Income Stream PDS, available on the Super SA website. You are also required to provide certified provide proof of identity, a recent bank statement (12 months) and for members under age 60, a Tax File Number Declaration form.

[27] For the 2020–21 financial year.

# 7. Extra information (continued)

## LOST MEMBERS

Super SA is required by law to report details of lost members to the ATO who will then endeavour to locate those members. Lost members automatically become part of the ATO lost members register. A member is deemed lost if Super SA has received two pieces of returned mail and does not have a follow up address for that member.

## CHANGING YOUR PERSONAL INFORMATION

Super SA relies on having current information so that we can keep you up to date about your account. It's important that you contact us if you change your personal details, particularly your address. If you want to make changes to your details, please log into the online member portal and update your details online.

Alternatively, call or email member services or you can complete a Triple S Change of Personal Details form.



# 8. Glossary of terms

## DEFINED FEES

A fee is an **activity fee** if it relates to costs incurred by the Super SA Board that are directly related to an activity of the Board:

- **i.** That is engaged in at the request, or with the consent, of a member, or
- **ii.** That relates to a member and is required by law and those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

An **administration fee** is a fee that relates to the administration or operation of Triple S and includes costs incurred by the Super SA Board that relate to the administration or operation of Triple S and are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

A fee is an **advice fee** if it relates directly to costs incurred by the Super SA Board because of the provision of financial product advice to a member by:

- **i.** The Super SA Board; or
- **ii.** Another person acting as an employee of, or under an arrangement with the Super SA Board; and

those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

A **buy-sell spread** is a fee to recover transaction costs incurred by the Super SA Board, in relation to the sale and purchase of assets of Triple S.

An **exit fee** is a fee to recover costs of disposing of all or part of members' interests in Triple S.

The **indirect cost ratio (ICR)** for the Balanced investment option offered by Triple S is the ratio of the total of the indirect costs for the option, to the total average net assets of Triple S attributed to the investment option.

## 8. Glossary of terms (continued)

A fee is an **insurance fee** if it relates directly to either or both of the following:

- **i.** Insurance premiums paid by the Super SA Board in relation to a member or members of Triple S;
- **ii.** Costs incurred by the Super SA Board in relation to the provision of insurance for a member or members of Triple S; and

the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit that is based on the performance of an investment rather than the realisation of a risk and the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

An **investment fee** is a fee that relates to the investment of the assets of Triple S and includes fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees) and costs incurred by the Super SA Board that:

- **i.** Relate to the investment of assets of the entity; and
- **ii.** Are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

A **switching fee** is a fee to recover the costs of switching all or part of a member's interest in Triple S from one class of beneficial interest to another.

**Interest:** the value of an accrued benefit in the superannuation scheme.

The **Medicare levy** is 2% of your taxable income, in addition to the tax you pay on your taxable income.

**Member spouse:** the partner who is a member of the relevant superannuation scheme.

**Non-member spouse:** the superannuation scheme member's spouse who is not a member of the relevant superannuation scheme.

Member spouse and non-member spouse may include partners of a de facto or same sex relationship.

**Retirement phase:** in superannuation retirement is defined by ceasing full-time or part-time gainful employment. There are both Commonwealth and Super SA conditions to be considered retired.

**Taxable (untaxed):** Monies yet to be taxed (refer to the How super is taxed section of this Reference Guide).



**We're happy to help, give us a call, send us an email or book an appointment.**


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|---|---|
| **Member Services** | **By appointment only**<br>Ground Floor, 151 Pirie Street<br>(enter from Pulteney Street)<br>Adelaide SA 5000 |
| **Post** | GPO Box 48, Adelaide SA 5001 |
| **Email** | supersa@sa.gov.au |
| **Call** | 1300 369 315 |
| **Web** | supersa.sa.gov.au |
| **ABN (Triple S)** | 40 651 037 780 |
| **USI (Triple S)** | 4065 1037 7800 01 |


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