

# Your super and redundancy

## GOLD STATE SUPER FACT SHEET

Redundancy can have a serious impact on you and it is important to know what your benefit options are in regards to your super. This fact sheet contains important information which you should consider.

Entitlement and benefit options depend on whether you have reached preservation age. See the table below for a summary of how your age affects your options.

### BENEFIT ENTITLEMENT IF YOU ARE MADE REDUNDANT

If you are a Gold State Super member and are made redundant from the WA public sector, you are entitled to the total benefit built up on your behalf which can include:

- **Contributory Service Benefit** - your Gold State Super benefit including your personal and employer contributions, and if applicable
- **Transferred Contributions and Interest** - contributions and interest previously transferred from the WA public sector pension scheme, and
- **Transferred Service Benefit** - the additional service benefit based on past full time employment given to you when you transferred from the WA Public Sector Pension Scheme to Gold State Super.

However, when you leave employment with the WA public sector, some of these components are treated differently.

If you are over 55 years of age when you are made redundant, then it is regarded as normal retirement, which means you will have access to your benefit in full. At that point you can open a GESB Allocated Pension or roll over your benefit to another complying super fund. See [gesb.com.au](http://gesb.com.au) for more information about our Allocated Pension.

Age/Event	Entitlement	What happens to my insurance?	When is tax paid?
<b>Under 55 years of age</b>			
If you are made redundant on or after 30 December 1995	<ul style="list-style-type: none"> <li>• Preserve your benefit in Gold State Super until you reach 55*</li> <li>• Elect to have your benefit paid out. A discount factor will apply if you have your benefit paid before reaching age 55.</li> </ul>	Your insurance cover for Death and Total & Permanent disablement will cease.  If you want to replace this, you will need to make your own arrangements for insurance cover.	Tax is not payable on your benefit until you take it out or roll it over to another taxed super fund.  See the 'Tax and super' fact sheet at <a href="http://gesb.com.au/brochures">gesb.com.au/brochures</a> .
<b>55 years of age or over</b>			
If you are made redundant	This is regarded as normal retirement and you will have access to your benefit in full.  You can open a GESB Retirement Income Allocated Pension, take a lump sum or roll over to another complying super fund.		

**\*Important:** If you are under 55 and transferred from the WA Public Sector Pension Scheme, you can elect to receive the Transferred Contributions and Interest component of your benefit if you are made redundant†. All other funds must be preserved in Gold State Super until you reach 55 years of age. Under some circumstances, withdrawing the Transferred Contributions and Interest component of your benefit will result in your Transferred Service Benefit being forfeited. Please see 'Withdrawing as a contributing member' section in the 'Gold State Super Essentials' brochure at [gesb.com.au/brochures](http://gesb.com.au/brochures) or contact your Member Service Centre for more information.

† There may be tax implications if you elect to receive the Transferred Contributions and Interest component of your benefit as cash.

### Preserving your benefit in Gold State Super

Your Contributory Service Benefit and Transferred Service Benefit (if applicable) will be preserved in Gold State Super until you reach 55 years of age (or earlier in the case of death or disability). These funds will be indexed annually at a salary growth factor equivalent to the Perth Consumer Price Index (Perth CPI)# plus 1% pa until age 55, and then indexed annually at Perth CPI plus 2% pa.

Any Transferred Contributions and Interest can be refunded to you if you are under 55 years of age, or preserved in the fund. If you decide to preserve this portion of your benefit, it will be indexed annually at Perth CPI plus 2% pa. Once you reach 55, however, the option to receive payment of only the Transferred Contributions and Interest is no longer available: the total account balance must be paid.

There are other circumstances where you may be able to access your benefit if you are under age 55. If eligible, a discount factor will apply. In this case, the Contributory Service Component of your benefit is subject to a discount factor of 1.75% pa for every year you are under age 55. For more information call your Member Services Centre.

# Perth CPI calculated in accordance with the State Superannuation Regulations 2001.

## Advantages of preserving your benefit

Choosing to leave your benefit in Gold State Super means:

- You won't be charged any entry or penalty fees that could be incurred if you transferred your benefit to another super fund, and
- Your untaxed benefit will continue to grow until you reach retirement, and
- Your benefit is not subject to fluctuating market movements.

## CALCULATING YOUR BENEFIT

Gold State Super is a defined benefit scheme, which means your retirement benefit is calculated using:

- Your Completed Months of Equivalent Full Time Contributory Service
- Your Average Contribution Rate, and
- Your Final Remuneration

If you are made redundant, your benefit will be calculated as at your termination date.

### EXAMPLE ONE

Following is an example of how Matthew's benefit was calculated on the day that he was made redundant.

#### ASSUMPTIONS ABOUT MATTHEW

- Age Matthew joined Gold State Super: 33 years old
- Length of full time employment: 12 years
- Age at redundancy: 45 years
- Average Contribution Rate: 5% (maximum)
- Final Remuneration at redundancy: \$50,000
- Completed Months of Service: 144 months (12 years x 12 months)

$$\begin{array}{r} \text{Completed} \\ \text{Months of} \\ \text{Service} \end{array} \times 20\% \times \begin{array}{r} \text{Average} \\ \text{Contribution} \\ \text{Rate} \end{array} \times \text{Final} \\ \text{Remuneration} \\ \hline 12 \qquad \qquad \qquad 5 \\ \hline \frac{144}{12} \times 20\% \times \frac{5}{5} \times \$50,000 \\ = 12 \times 20\% \times 1 \times \$50,000 \\ = \$120,000$$

On the day Matthew was made redundant, his benefit was calculated to be \$120,000. However, Matthew can't access these funds until he reaches 55 years of age, which is another 10 years away.

## MORE INFORMATION

- As a service to members, we regularly conduct free member seminars that deal with taxation, investment options, retirement and much more. To attend a seminar, simply register online at [gesb.com.au](http://gesb.com.au).
- Call your Member Services Centre on 13 43 72.
- See the 'Gold State Super Essentials' brochure, available at [gesb.com.au/brochures](http://gesb.com.au/brochures).

## How to contact us

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