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

For members of the Gold State Super scheme, your entitlement and benefit options depend on whether you have reached age 55 and/or the Commonwealth preservation age<sup>1</sup>. 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** - your contributions and interest previously transferred from the WA Public Sector Pension Scheme
- **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.

Once you reach age 55 and are no longer working for the WA public sector, you will meet your condition of release for Gold State Super, which means you will have access to your benefit in full. At that point you can access a benefit payment, open a GESB Retirement Income Allocated Pension account or roll over your benefit to another complying super fund. See the **'Retirement Income Allocated Pension Product Information Booklet'** at [gesb.wa.gov.au/brochures](https://gesb.wa.gov.au/brochures) for more information about our allocated pension.

The calculation of tax on super is dependent on your age and the Commonwealth preservation age<sup>1</sup>. If you are considering accessing your benefit before your Commonwealth preservation age, please contact your Member Services Centre and review the **'Tax and super'** brochure available at [gesb.wa.gov.au/brochures](https://gesb.wa.gov.au/brochures) to find out how this will affect you.

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<sup>2</sup></li> <li>• Roll over the 'current dollar' value of your benefit to a complying super fund</li> </ul>		<p>Tax is not payable on your benefit until you take it out or roll it over to another taxed super fund or retirement income stream.</p> <p>Please note that the tax treatment of your cash benefit is impacted by your age, in particular your Commonwealth preservation age which is different to the age at which you can access your benefit.</p> <p>See the <b>'Tax and super'</b> brochure at <a href="https://gesb.wa.gov.au/brochures">gesb.wa.gov.au/brochures</a>.</p>
<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 our RI Allocated Pension, take a lump-sum payment, or roll over to another complying super fund.	<p>Your insurance cover for Death and Total &amp; Permanent Disablement (TPD) will cease.</p> <p>If you want to replace this, you will need to make your own arrangements for insurance cover.</p>	

### 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)<sup>3</sup> plus 1% p.a. until age 55, and then accrue interest at Perth CPI plus 2% p.a.

<sup>1</sup> Your Commonwealth preservation age is dependent on your date of birth. For more information on your Commonwealth preservation age, read the 'Accessing your super' brochure available at [gesb.wa.gov.au/brochures](https://gesb.wa.gov.au/brochures).

<sup>2</sup> 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. There may be tax implications if you elect to receive the Transferred Contributions and Interest component of your benefit as cash. All other funds must be preserved in Gold State Super until you reach 55 years of age.

<sup>3</sup> Perth CPI calculated in accordance with the *State Superannuation Regulations 2001* (WA).

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 accrue interest at Perth CPI plus 2% p.a. Once you reach 55, 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% p.a. for every year you are under age 55. For more information call your Member Services Centre on 13 43 72.

### 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
- Your untaxed benefit will continue to grow until you reach retirement
- 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
- Your Final Remuneration

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

## Example

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)

Completed Months of Service	x	20%	x	Average Contribution Rate	x	Final Remuneration
12				5		
$\frac{144}{12}$	x	20%	x	$\frac{5}{5}$	x	\$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

- We regularly conduct seminars and webinars that deal with taxation, investment options, retirement and much more. To attend a seminar, simply register online at [gesb.wa.gov.au/seminars](https://gesb.wa.gov.au/seminars) or for a webinar, register at [gesb.wa.gov.au/webinars](https://gesb.wa.gov.au/webinars)
- Call your Member Services Centre on 13 43 72
- See the '**Gold State Super essentials**' brochure, available at [gesb.wa.gov.au/brochures](https://gesb.wa.gov.au/brochures)
- See the '**Retirement Income Allocated Pension Product Information Booklet**', available at [gesb.wa.gov.au/brochures](https://gesb.wa.gov.au/brochures)

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### How to contact us

T Member Services Centre 13 43 72  
PO Box J 755, Perth WA 6842

F 1800 300 067

W [gesb.wa.gov.au](https://gesb.wa.gov.au)