



Contributory Scheme – Resignation benefits

For members under preservation age

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What happens if I resign from the Tasmanian public sector?

If you resign from employment within the Tasmanian public sector prior to attaining preservation age, your Contributory Scheme account will be closed and your entitlement will be calculated as at your date of resignation.

What is my preservation age?

Your preservation age is set by Commonwealth legislation and is determined by your date of birth.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

How is my Contributory Scheme resignation benefit processed?

Step 1 – Advice of employment termination from your employer

Your employer will provide RBF with formal notification of the date you terminated your employment, indicating resignation as your reason for termination. To assist in the timely processing of your benefit, it is important that we receive notification from your employer at the earliest possible opportunity after your termination date.

Step 2 – RBF calculates your benefit

RBF will calculate your benefit. The unfunded employer amount of your entitlement will be transferred to a new account known as the CPA; the funded amount will be transferred to a complying superannuation scheme of your choice (less tax). These components are explained later in this document.

Step 3 – RBF processes your benefit

When processing is completed, RBF will notify you of the benefit amounts transferred to your Contributory Scheme CPA and your chosen superannuation scheme.

If you would like more information on the process or would like to discuss your options and entitlements in person, please call the RBF Enquiry Line on 1800 622 631 to make an appointment with an RBF Superannuation Consultant.

What benefits can I access when I resign?

A Contributory Scheme resignation benefit will generally comprise two preservation components: an unrestricted non-preserved component and a preserved component.

Unrestricted non-preserved component

On resignation, the unrestricted non-preserved component is transferred into a complying superannuation scheme of your choice. It is not subject to any cashing restrictions and is capped at the amount calculated when you ceased membership of the Contributory Scheme. The amount of your unrestricted non-preserved component is reduced by any subsequent withdrawals and you cannot withdraw more than this amount.

Preserved component

The preserved component must remain in the super environment until you have reached your preservation age and retired from the workforce or you satisfy another condition for the release of preserved benefits.

Your preserved component will also become unrestricted non-preserved and accessible when you satisfy a retirement condition of release as follows:

- ▶ you reach your preservation age but are under age 60 and have permanently retired from the workforce; or
- ▶ you reach age 60 and have ceased an employment arrangement with your current employer; or
- ▶ you have attained the age of 65.

In addition to the retirement condition of release, your preserved component can be accessed at any time in the case of death, terminal illness or total and permanent incapacity.

Subject to eligibility criteria you may also access all or part of your preserved component in the event of severe financial hardship or on compassionate grounds.

Compulsory preserved component

This is the unfunded employer share of your resignation benefit and is maintained in the Contributory Scheme CPA following resignation prior to preservation age.

Your Contributory Scheme CPA cannot be rolled over or transferred to another super fund. It can only be accessed before preservation age in the case of death, terminal illness, total and permanent incapacity, severe financial hardship or on compassionate grounds

If you withdraw a benefit from your Contributory Scheme CPA for permanent incapacity, financial hardship or compassionate grounds, the untaxed component will be subject to tax and a 'PAYG payment summary – superannuation lump sum' will be issued for you to include in your tax return. Death and terminal illness benefits however, are generally not subject to tax if paid to a dependant.

The balance in the Contributory Scheme CPA is indexed in line with movements at the rate of either the Consumer Price Index or Average Weekly Ordinary Time Earnings (AWOTE), whichever is the greater. No fee is charged for the administration of this account.

Your former employer will fund the accumulated balance of the Contributory Scheme CPA when you reach preservation age and it will then be transferred to a complying superannuation scheme of your choice and subject to a once off deduction for contributions tax. The net amount transferred will continue to be preserved until you satisfy a condition for the release of preserved benefit.

Tax file number

If you have not advised RBF of your tax file number, any tax payable on a cash withdrawal from RBF will be calculated at the highest personal tax rate for the current financial year. Please check to ensure RBF has a record of your tax file number.

If I resign, what will I lose access to?

15% employer super support

As a member of the Contributory Scheme, you generally receive notional employer super contributions at the rate of at least 15% of salary. In comparison, the current rate of compulsory employer Superannuation Guarantee contributions is 9.5% of salary. If you terminate membership of the Contributory Scheme as a result of resignation, it is not possible to re-join unless you satisfy the circumstances described in the 'What if I recommence employment in the Tasmanian public sector?' section on page 5.

Divisor of 12

If you are currently entitled to a divisor of 12 Contributory Scheme Life Pension, you should note that if you resign, the Contributory Scheme Life Pension available to you in the future will be calculated using a divisor advised by RBF's Actuary. This divisor will usually be higher than 12, resulting in a lower annual pension. Entitlement to the divisor of 12 is normally available if you joined the Contributory Scheme prior to 1 July 1994.

Insurance cover

Your Death and Incapacity cover and Income Protection cover in the Contributory Scheme will cease on your resignation date.

Contributory Scheme strategies

Access to super improvement strategies specific to the Contributory Scheme, such as upgrading your past contribution rate (to a maximum of 11%), or purchasing non-contributory service, will cease on your resignation date.

What products and services can I continue to access at RBF after I resign?

Contributory Scheme Life Pension

You will retain the right to convert your benefit to a Contributory Scheme Life Pension at any time after your preservation age or on the grounds of Total and Permanent Incapacity, provided that you have maintained a continuous financial interest with RBF. Similarly your surviving partner may use all or part of your benefit to purchase a Contributory Scheme Life Pension in the event of your death.

You will have a choice of either a reversionary Contributory Scheme Life Pension (to provide an income for your surviving partner) or a non-reversionary Contributory Scheme Life Pension. The Contributory Scheme Life Pension is indexed twice yearly in line with movements in the Consumer Price Index.

Private sector employer Superannuation Guarantee contributions

State Government legislation does not allow RBF to accept employer Superannuation Guarantee contributions (including salary sacrifice contributions) from private sector employers.

RBF website

The member secure website is where you can access your RBF account details (except your Contributory Scheme Life Pension details) including your Member Benefit Statements as at 30 June. You can also choose options for your communications preferences.



What if I recommence employment in the Tasmanian public sector?

If you resign and then recommence employment in the Tasmanian public sector, you may apply to continue your Contributory Scheme service if your contributory service is broken for a period not exceeding:

- a six weeks as the result of your resignation; or
- b three months as the result of your resignation because you have become a candidate for election as a member of a House of Parliament; or
- c three months for any other reason for leaving the Contributory Scheme.

To apply for the continuity of Contributory Scheme service, you must write to the Superannuation Commission (Commission) within three months if you again become a permanent employee or are employed under a prescribed contract of employment. If the Commission determines that the break does not affect the continuity of your Contributory Scheme service, you may purchase the period of broken service.

Need help?

After reading this fact sheet, you may require further information or assistance.

Personal interviews are available in Hobart, Launceston, Burnie and Devonport by appointment only. If you would like to arrange an interview with an RBF Superannuation Consultant to discuss your resignation options and entitlements, please call the RBF Enquiry Line on **1800 622 631**

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Contacting RBF

Contact RBF if you would like additional information or assistance.

RBF Enquiry Line: 1800 622 631 or
+61 2 8571 6868
(international)

Visit: www.rbf.com.au

Write: RBF, Reply Paid 89418,
PARRAMATTA NSW 2124

Office: Ground Floor,
21 Kirksway Place,
Hobart
Level 3, Henty House,
1 Civic Square,
Launceston