

Contributory Scheme – Retirement benefits

This fact sheet is for members over preservation age



Contents

What happens if I retire or cease employment with the Tasmanian public sector?	1
What is my preservation age?	1
How and when is my Contributory Scheme retirement benefit processed?	2
Do I need to declare my RBF benefit in my tax return?	3
Will RBF provide me with regular information after I retire?	4
Need help?	4

What happens if I retire or cease employment with the Tasmanian public sector?

If you retire from, or cease employment with, your Tasmanian public sector employer on or after attaining preservation age, your Contributory Scheme account will be closed and your entitlement will be calculated as at your date of retirement. Even if you are not fully retiring from the workforce, your Contributory Scheme benefit will be calculated as a retirement benefit and you will exit the scheme.

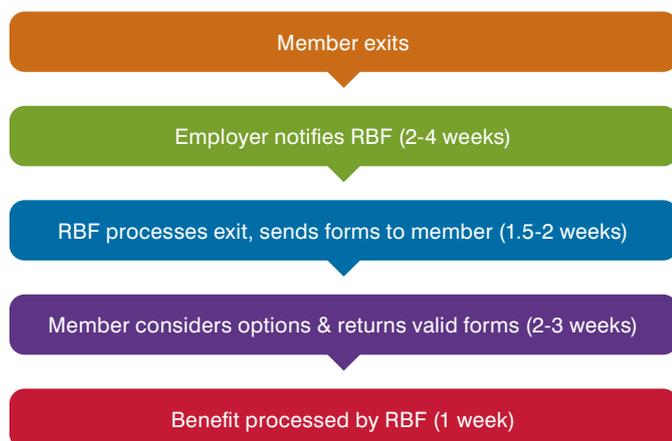
What is my preservation age?

One of the situations in which you can withdraw your super is when you reach preservation age and retire.

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 1 July 1964	60

How and when is my Contributory Scheme retirement benefit processed?



Step 1 – Meet with a Superannuation Consultant for a pre-retirement interview

We recommend you meet with us prior to your retirement to talk through the process and your benefit options. Our Superannuation Consultants provide a free service and can explain the process and timelines involved for you to receive your benefit. This is important as it can take up to 10 weeks after you retire for your benefit to be paid. You can also decide if you would like to get personal advice from a licensed financial planner and factor the time taken for this into your retirement planning.

Important note: You should not commit to any financial arrangement/s before your final benefit payment has been paid to you.

Step 2 – Advice of employment termination from your employer

Before we can start to calculate and process your benefit, you and your employer must agree on a retirement date. Once you have retired, your employer must provide us with formal notification of the date you ceased your employment, indicating retirement as the reason. 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 retirement date. Please note though, your employer may take up to two pay periods (1 month) after your retirement date to notify us with your final salary and employment data details which are necessary in calculating your benefit.

Step 3 – RBF calculates your benefit

We will calculate your retirement benefit and provide you with a Benefit Quote letter detailing your benefit, payment options and the 'Contributory Scheme – Payment instructions' form. It takes approximately 2 weeks to complete your calculations, prepare your paperwork and post the letter to you. If we need to clarify any of your employment details with your employer, then this step may take longer to complete.

Please note that you will have **three months** from the date of the Benefit Quote letter to return your payment instructions to us. It is possible to extend this period, however you will need to apply for this extension in writing and have the extension approved by us prior to the expiry of the three month period.

If you do not provide your payment instructions within the required timeframes the entire benefit will be transferred out of the Fund to the Taxation Commissioner to be dealt with under the *Superannuation (Unclaimed Money and Lost Members) Act 1999 (Cwth)* and your Contributory Scheme account will be closed. You may lose certain benefit options, such as access to the pension conversion factor of 12 and the Schedule 1 pension calculation basis if you are a member who joined the Contributory Scheme before 1 July 1994. These benefit options are lost and cannot be regained once your benefit has been transferred out of the Fund.

If you haven't already met with us for a pre-retirement interview you may wish to make an appointment with an RBF Superannuation Consultant before you submit your payment instructions. Our Superannuation Consultants can give you information in relation to your entitlements and options.

The information provided by Superannuation Consultants is of a general nature only. Superannuation Consultants do not make recommendations and any information provided will not take your financial situation, needs or circumstances into account, so you should look at your own financial position, objectives and requirements before making any decisions. You may also wish to consider seeking financial advice from a suitable and qualified professional.

You can call the RBF Enquiry Line on **1800 622 631** to arrange your appointment with a Superannuation Consultant or to discuss the process over the phone.

Step 4 – RBF receives your payment instructions

For your payment instructions to be valid, you must complete each step of the form as indicated. If, for example, you have signed the form but forgotten to date the form at Step 10 then the form will not be valid and you will need to complete a new form. This may delay payment of your benefit.

If you are establishing a Life Pension you will also need to complete the ATO Tax File Number Declaration form which we send to you.

You will need to provide certified proof of identity documents. Please refer to the Providing Proof of Identity Factsheet for information on acceptable identity documents.

Details on how retirement benefits are calculated and what pension options are available can be found in the 'Contributory Scheme: Member Booklet'.

You can obtain a copy from our website at www.rbf.com.au or by calling the RBF Enquiry Line on **1800 622 631**.



Step 5 – RBF processes your benefit

We will process your retirement benefit and make the payment as soon as possible following receipt of your valid and completed 'Contributory Scheme – Payment instructions' form and all required information and supporting documentation from you.

Your Contributory Scheme benefit generally contains a tax-free, taxed and untaxed component.

The timeframe for payment of your retirement benefit will depend on the benefit option(s) you choose:

- ▶ **Contributory Scheme Life Pension:** your Contributory Scheme Life Pension will be backdated to the day immediately following your date of retirement and will be paid to your nominated bank account fortnightly.
- ▶ **Lump sum payments, Rollovers and cash payments:** will take up to 10 working days from receiving your completed and valid payment instructions form.

Contributory Scheme Life Pension

The Contributory Scheme Life Pension is a fortnightly pension that is payable for your life.

You may choose to purchase a reversionary Contributory Scheme Life Pension in which case your surviving partner may be eligible to receive two thirds of your pension from the day after the date of your death for the remainder of their life. If you choose a non-reversionary Contributory Scheme Life Pension, your pension ends on your death.

The Contributory Scheme Life Pension is indexed twice a year in accordance with movements in the Consumer Price Index.

A Contributory Scheme Life Pension is created when you elect to convert all or part of your Contributory Scheme retirement benefit to a Contributory Scheme Life Pension. The annual value of your commencing Contributory Scheme Life Pension is calculated by determining the percentage of your lump sum benefit to be converted to a Contributory Scheme Life Pension and then dividing that amount by your Contributory Scheme Life Pension conversion factor, and:

- 1 if you are a pre 1 July 1994 member, your Contributory Scheme Life Pension will be calculated using the pension conversion factor of 12.
 - ▶ As a pre 1 July 1994 member you will have the choice of having your life pension calculated in accordance with current scheme rules (regulation 61), current scheme rules that are a modified version of the previous scheme rules (schedule 1) or the previous scheme rules (regulation 102).
 - ▶ If you wish to take a Contributory Scheme Life Pension calculated using the pension conversion factor of 12, Schedule 1 or regulation 102 you must make this election in the 'Contributory Scheme - Payment instructions' form.

- 2 if you are a post 30 June 1994 member, your Contributory Scheme Life Pension will be calculated using the pension conversion factors advised by RBF's Actuary. You may choose to purchase either a reversionary Contributory Scheme Life Pension (to provide an income to your surviving partner) or a non-reversionary Contributory Scheme Life Pension (payments cease on your death because no benefit is payable to your surviving partner).

More information about the Contributory Scheme Life Pension options can be found in the 'Contributory Scheme Life Pension' fact sheet.

You can obtain a copy from our website www.rbf.com.au or by calling the RBF Enquiry Line on **1800 622 631** or you can make a free appointment.



Tax file number

If you have not advised RBF of your tax file number, any cash withdrawals from your account will be taxed at the highest personal tax rate for the current financial year. Please ensure that we have a record of your tax file number so you do not pay unnecessary tax.

Do I need to declare my RBF benefit in my tax return?

At retirement, depending on whether you choose a pension or a lump sum, you will receive the following documentation which you may need to include in your tax return:

Contributory Scheme Life Pension:

- ▶ you will receive a 'PAYG payment summary – superannuation income stream' statement at the end of each financial year where you have assessable income. You may be required to include this in your tax return depending on your individual circumstances; and
- ▶ a Centrelink schedule – provided to you upon request only.

Lump sum:

- ▶ you will receive a 'PAYG payment summary – superannuation lump sum' statement. You may be required to include this in your tax return depending on your individual circumstances.

Will RBF provide me with regular information after I retire?

How often you receive information will depend on the retirement option(s) you have chosen:

Contributory Scheme Life Pension:

- ▶ a pension update in January and July following any adjustment for increases in the Consumer Price Index;

100% lump sum payment:

- ▶ you will receive no further information from RBF, as you will no longer have a financial interest in the Fund.

RBF website

We offer the member secure website where you can access all your defined benefit account details (except your RBF Life Pension or Contributory Scheme Life Pension details) including your Annual Member Benefit Statements as at 30 June.

Need help?

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

If you would like to arrange a free consultation with an RBF Superannuation Consultant to discuss your retirement options and entitlements, please call the RBF Enquiry Line on **1800 622 631**.

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This fact sheet contains general information only. It is not intended to be, and should not be relied upon as legal, financial or other advice. It has been prepared without taking into account your personal objectives, financial situation or needs. Accordingly, before acting on the contents of this fact sheet, you should consider whether it is appropriate to you, having regard to your objectives, financial situation and needs. You may also wish to consider seeking advice from a suitable and qualified professional advisor.

The Superannuation Commission is not licensed to provide financial advice to RBF members and the Commission does not provide personal, tax or legal advice to members.

Every care has been taken in providing accurate and up-to-date information in this fact sheet. However, things may have changed since this fact sheet was published and some of the information may no longer be correct. If there are mistakes or omissions in the information, we reserve the right to correct those errors or omissions. The governing rules of RBF will prevail over any misstatement in this fact sheet.

The privacy and confidentiality of your personal information is important to RBF. We hold your personal information securely and use it only for the purposes described in the RBF Privacy Policy Statement, available on the RBF website at www.rbf.com.au. RBF outsources its administration activities to Australian Administration Services Pty Ltd (ABN 62 003 429 114) (Link Group). Link Group is subject to the Australian Privacy Principles and will store and use your personal information for the purposes described in the Link Group 'Privacy Policy' available at www.rbf.com.au. The Superannuation Commission is supported by a branch of the Tasmanian Department of Treasury and Finance and the staff of that branch comply with the Commission's Privacy Policy.

Your personal information including sensitive health information may be transferred between RBF and Link Group. Other service providers to the Commission may also have access to confidential information held by the Commission. The privacy of members is protected by confidentiality clauses contained in the agreements with such service providers.

Contacting RBF

Contact RBF if you would like additional information or assistance.

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