The Gold State Super scheme ('Gold State Super') is part of the Government Employees Superannuation Fund, managed by GESB.
Important note

The Gold State Super scheme (‘Gold State Super’) is part of the Government Employees Superannuation Fund, managed by GESB.

Your Gold State Super benefits will be determined in accordance with Gold State Super’s rules, which are contained in the publicly available State Superannuation Act 2000 (WA) and State Superannuation Regulations 2001 (WA).

The explanations provided in this document about how benefits are calculated are expressed in general terms, and examples have been provided for illustrative purposes only. To the extent of any inconsistency with Gold State Super’s rules, those rules will take priority.

You should not rely on information in this document as a guarantee of benefits to which you may be entitled. You can contact GESB if you would like us to calculate a current benefit estimate for you. GESB recommends you seek professional advice from a qualified adviser on your personal circumstances before you make any decisions about your super benefit.

GESB is referred to within this document as ‘we’, ‘our’ or ‘us’.

The information in this document is current as at 1 July 2016, but may change from time to time. Visit our website at gesb.com.au or call your Member Services Centre on 13 43 72 to obtain updates to the information provided in this document. If there is a materially adverse omission or changes to the information in this document GESB will issue a supplementary document.

The information contained in this document is of a general nature and does not constitute legal, taxation or personal financial advice. In providing this information GESB has not taken into account your objectives, financial situation or needs. Therefore, you should consider the appropriateness of the information in this document in light of your objectives, financial situation or needs, before acting on it. GESB is not licensed to provide financial product advice. You are encouraged to seek advice specific to your personal circumstances from a qualified financial adviser before making any decision concerning your Gold State Super account.

All references to fees and costs within this document are expressed to be inclusive of the goods and services tax where applicable.
Glossary of terms

We are committed to simplifying investment, super and retirement, by using plain language where possible, that is easy to understand.

This document includes quite complex information around Final Benefit calculations, and some super industry and scheme-specific terms that may need a more detailed explanation.

This icon will direct you to additional information you may find useful, within this document or direct you to the glossary for further explanations on certain terms.

This icon identifies other information which you may find useful when reading this document. It is important that you read and consider all the information relating to Gold State Super before making any decisions about the product.

Gold State Super fact sheets

If you would like more information on a particular feature of Gold State Super, please contact your Member Services Centre on 13 43 72. You can also read the following fact sheets, available at www.gesb.com.au/factsheets

• Insurance and your super
• Making an informed choice
• Military leave and your super
• Pre-1 July 1983 service for untaxed super funds
• Remuneration and salary maintenance
• Resigning from the WA public sector
• Salary sacrifice
• Taking unpaid leave
• Transition to Retirement
• Working part-time
• Your super and Family Law
• Your super and redundancy
There are two main types of super schemes: accumulation and defined benefit schemes.

- **Gold State Super** is a defined benefit scheme which means that your Final Benefit is determined by applying a fixed, or ‘defined’, formula. Your Gold State Super benefit grows with your salary and service, and is guaranteed by the WA State Government.

- With accumulation schemes your final benefit depends on your accumulated contributions and any investment earnings, less fees and other charges. The amount of earnings you may accrue depends on which investment plan you have chosen, and how the super fund’s investments perform from year to year. GESB Super and West State Super are both accumulation schemes.

Gold State Super is an ‘untaxed’ scheme. Untaxed schemes do not pay income tax on any contributions or on investment earnings. Instead, tax is payable on your benefit when it is paid to you.

This usually occurs when you retire, or when you transfer your super to a taxed scheme or retirement income stream, such as GESB’s Retirement Income Allocated Pension.

In taxed schemes, such as GESB Super, tax is deducted from concessional contributions and investment earnings while the money is accumulating.

Gold State Super was closed to new members on 29 December 1995, so if you decide to voluntarily withdraw from membership of the scheme your decision is irreversible and you will not be able to re-join.

However, you may apply to GESB to continue your membership if:

- Your membership ceased because you ceased working in the WA public sector, and re-joined the WA public sector within 12 months, or
- Your membership ceased because you reduced your work hours to less than one hour a week, and then increased your work hours within 12 months

### Benefits and features of Gold State Super

<table>
<thead>
<tr>
<th>Security</th>
<th>You have the comfort of knowing your benefit is guaranteed by the WA State Government, and you can be certain of how much you will have when you retire, as your benefit is determined by a defined formula. It isn’t impacted by the performance of investment markets, and will increase with salary increases and length of contributory service.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No annual administration fees</td>
<td>There are no separate fees charged to you for administration, insurance and other management expenses, although other fees may apply.</td>
</tr>
<tr>
<td>Choice of contribution rate</td>
<td>You can choose the amount you contribute by selecting the contribution rate that best suits you, from 3%, 4% or 5% of your gross remuneration. Some members can contribute more than 5% - see page 12 for more details.</td>
</tr>
<tr>
<td>Special catch-up contribution rates</td>
<td>If you’ve contributed 3% or 4% in the past, you can ‘catch up’ by contributing 6% or 7%, until your Average Contribution Rate reaches 5%.</td>
</tr>
<tr>
<td>Flexibility</td>
<td>You can change your contribution rate at any time, with the change taking effect from the beginning of the next contribution period.</td>
</tr>
<tr>
<td>Convenience</td>
<td>Your contributions are automatically deducted from your pay, based on the contribution rate you have chosen.</td>
</tr>
<tr>
<td>Additional contributions</td>
<td>You can make voluntary contributions to your existing West State Super or GESB Super account. If you do not currently have one of these accounts, a GESB Super account (or West State Super account if you are eligible) can be opened for you to receive any extra contributions. Please read the Product Information Booklets for West State Super and GESB Super, available at <a href="http://www.gesb.com.au/brochures">www.gesb.com.au/brochures</a>, before making a decision. If you are making your compulsory contributions to Gold State Super from your after-tax pay, then you may be eligible for a Commonwealth Government Super Co-contribution. This will be credited to your West State Super or GESB Super account. See page 14.</td>
</tr>
</tbody>
</table>
Benefits and features of Gold State Super continued

<table>
<thead>
<tr>
<th>Table Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic Death and Permanent Disability Insurance</td>
<td>Death and disability insurance is an integral part of Gold State Super and is provided at no extra cost to members while employed in the WA public sector. Cover applies 24 hours a day, 7 days a week, no matter where you are.</td>
</tr>
<tr>
<td>Tax concessions for untaxed benefits</td>
<td>Concessional contributions made to Gold State Super do not count towards your concessional contributions cap. Instead there is an untaxed plan cap of $1.415 million per super fund for the 2016/17 financial year (indexed annually) that applies to the untaxed benefit. That part of your Final Benefit which is below this amount will be concessionally taxed. The untaxed plan cap amount is a per super fund limit. If you also have a West State Super account, you may be able to access up to $1.415 million in concessionally taxed benefits from Gold State Super and up to $1.415 million in concessionally taxed benefits from West State Super.</td>
</tr>
<tr>
<td>Pre-1 July 1983 service</td>
<td>For most super funds the pre-1 July 1983 amount was calculated at 30 June 2007 and was included as part of the tax-free component (referred to as crystallisation). For untaxed funds like Gold State Super and West State Super the crystallisation of the pre-1 July 1983 amount of the untaxed element in the fund is only calculated when a lump sum is withdrawn or rolled over to a taxed fund. If you have pre-1 July 1983 service you may be able to maximise your tax-free component. See page 30.</td>
</tr>
</tbody>
</table>

Refer to glossary.

2. Your Final Benefit

Your Final Benefit is calculated using:

- Your completed months of equivalent full-time contributory service
- Your Average Contribution Rate, and
- Your Final Remuneration

It may also include a Transferred Service Benefit from the WA Public Sector Pension Scheme, or a Non-Contributory Service Benefit if you transferred from the Non-Contributory Scheme to Gold State Super before 28 September 1993.

To calculate your estimated Final Benefit, we follow three steps:

**Step 1** We determine your ‘Selection Date’

The Selection Date is used in the calculation of your Final Remuneration (see step 2). It is either the 1st or 16th of the month, two months before the month of your birthday (i.e. if your birthday falls between 1-15 May we use the 1st March as your Selection Date for the previous two years; if your birthday falls in the second half of May we use the 16th March).

**Step 2** We calculate your Final Remuneration

Your Final Remuneration is your average salary based on three key dates during your last two years of employment as a Gold State Super member.

To calculate your Final Remuneration, we use your average remuneration based on three dates:

- The first date we use is the date you stop working
- The other two dates we use are your Selection Dates for the previous two years

The fortnightly remuneration on the above dates is multiplied by the number of days between each date and then divided by 14 (the number of days in a fortnight). See example overleaf.

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1 Indexed in line with Average Weekly Ordinary Time Earnings, in increments of $5,000 rounded down.
We’ve used the following detail in the example below to illustrate the calculation of Final Remuneration:

- Retirement Date: 25 September 2016
- Selection Date #1: 1 April 2016
- Selection Date #2: 1 April 2015
- The number of days between 1 April 2016 and 25 September 2016: 178 days
- The number of days between 1 April 2015 and 31 March 2016: 366 days
- The number of days between 26 September 2014 and 1 April 2015: 187 days

<table>
<thead>
<tr>
<th>Retirement Date:</th>
<th>25 September 2016</th>
<th>2,362 x 178 ÷ 14</th>
<th>$30,031.14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection Date #1:</td>
<td>1 April 2016</td>
<td>2,362 x 366 ÷ 14</td>
<td>$61,749.43</td>
</tr>
<tr>
<td>Selection Date #2:</td>
<td>1 April 2015</td>
<td>2,150 x 187 ÷ 14</td>
<td>$28,717.86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$120,498.43</strong></td>
</tr>
</tbody>
</table>

The Total Remuneration is then divided by two, to determine the Final Remuneration

**Final Remuneration** = $60,249.21

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**Important note**

- If you withdraw from Gold State Super but continue working in the WA public sector, the value of your benefit on withdrawal is calculated as above, and the Retirement Date will be the date on which the withdrawal form is received by GESB.
- As a general rule, only permanent, ongoing components of your remuneration count towards Final Remuneration for Gold State Super purposes. See section 3 for more information on Gold State Super remuneration.
- If you are employed part-time at the time you retire or withdraw, your Final Remuneration is based on your equivalent full-time remuneration (see page 7 for more information).

---

**Example 1**

Joe joined Gold State Super at age 30, worked full-time for 30 years and retired at 60.

**Assumptions about Joe:**

- Completed Months of Service: 360 months
- Average Contribution Rate: 5%
- Final Remuneration: $79,000

**Using our Gold State Super benefit formula (refer to Step 3)**

\[
\frac{360}{12} \times 20\% \times \frac{5}{5} \times \$79,000 = \text{Final Benefit of $474,000 (before-tax)}
\]

Using the same assumptions as the example above, see the difference in Joe’s Final Benefit, based on Average Contribution Rates of 3%, 4% or 5%.
<table>
<thead>
<tr>
<th>Average Contribution Rate</th>
<th>Benefit accrual</th>
<th>Period</th>
<th>Final Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>3%</td>
<td>12% per year</td>
<td>30 years</td>
<td>3.6 x $79,000 = $284,400</td>
</tr>
<tr>
<td>4%</td>
<td>16% per year</td>
<td>30 years</td>
<td>4.8 x $79,000 = $379,200</td>
</tr>
<tr>
<td>5%</td>
<td>20% per year</td>
<td>30 years</td>
<td>6.0 x $79,000 = $474,000</td>
</tr>
</tbody>
</table>

These calculations are estimates only and do not take into consideration taxation or other factors that may affect your Final Benefit. Call your Member Services Centre for a benefit estimate.

We recommend you seek professional advice from a qualified adviser on your personal circumstances before making any changes to your super arrangements.

**Working part-time**

When you work part-time your benefit will accrue at a slower rate, according to the hours you actually work. For example, a full-time worker normally accrues one month of service every 30.4 days. Part-time employment at 75% of the full-time equivalent lengthens the accrual of one month of service to 40.5 days.

If you change to part-time, the contributions you pay to Gold State Super are based on your part-time salary. For example, if your standard full-time salary was $50,000 and you start working 50% of the normal full-time hours and are paid $25,000 per year, the contributions you pay will be based on $25,000, that is the contributions you need to pay are reduced.

The good news is when we calculate your Final Remuneration to determine your Gold State Super benefit, it is based on your equivalent full-time salary, regardless of whether you are working part-time or full-time.

The following examples illustrate how working full-time or part-time for the next five years will affect Tom’s final Gold State Super benefit.

**Assumptions about Tom**

- Age: 60 years
- Average Contribution Rate: 5%
- Final Remuneration: $50,000 (full-time equivalent)
- Completed Months of Service: 120 months

**Example 2**

Tom continues to work full-time for the next five years.

Gold State Super benefit formula:

\[
\frac{180^2}{12} \times 20\% \times \frac{5}{5} \times \$50,000 = \$150,000
\]

**Example 3**

Tom decides to work part-time (i.e. 50% full-time equivalent) for the next five years.

Gold State Super benefit formula:

\[
\frac{150^3}{12} \times 20\% \times \frac{5}{5} \times \$50,000 = \$125,000
\]

When Tom worked part-time he actually paid less in member contributions to Gold State Super. Therefore, although his super is $25,000 less than if he had worked full-time, Tom would have saved $6,250 in contributions (5% of $25,000 multiplied by 5) and would have worked 50% less time for the last five years.

**Casual employment**

Please note that if you choose to work on a casual basis you may become ineligible to remain a Gold State Super member. To retain eligibility for membership you must earn at least $250 each month while in casual employment.

For more information, call your Member Services Centre on 13 43 72.

**Making extra super contributions**

You can make voluntary contributions to your existing West State Super or GESB Super account. If you do not currently have one of these accounts, a GESB Super account will be automatically opened for you to receive any extra contributions.

If you’re not sure whether you are making your maximum member contribution to Gold State Super, log onto Member Online at mol.gesb.wa.gov.au or call your Member Services Centre.

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2 Full-time for five years equates to 60 Completed Months of Service. Tom’s original 120 months of contributory membership + 60 months = 180 months.

3 Part-time for five years equates to 30 Completed Months of Service. Tom’s original 120 months of contributory membership + 30 months = 150 months.
Returning to full-time employment

If you return to full-time work, you cannot increase your contributions into Gold State Super above the maximum Average Contribution Rate. Your contributions will continue to be made at your elected contribution rate. However, by making sure you are paying at your maximum Average Contribution Rate, you will receive the maximum benefit.

Other things you need to know when choosing to work part-time:

- Your employer should notify us if you decide to start working part-time.
- Once we are notified of your reduction in hours, we will advise your employer to reduce the fortnightly contribution you pay. If your contributions do not reduce after the start of your part-time service, please call your Member Services Centre.
- You will notice a change to your Member Statement. Within the ‘Membership details’ section and under the title ‘Contributory membership’, it will indicate that your months of credited service have accumulated at a slower rate compared to previous periods when you were working full-time.

Taking unpaid leave

At some point in your working career, you may need to take unpaid leave. The length of time you take and the reason why you take it will determine what effect unpaid leave will have on your Gold State Super benefit.

Types of unpaid leave for super purposes

1. Recognised Unpaid Leave is:
   - When you are on parental leave
   - When you are on sick leave
   - Any period of unpaid leave where normal employee entitlements, such as annual leave, sick leave or long-service leave continue to accrue, or
   - Any other period of unpaid leave that your employer formally agrees to be treated as Recognised Unpaid Leave for super purposes. If your unpaid leave is approved on this basis, your employer must notify us in writing.

   All periods of Recognised Unpaid Leave are considered ‘good service’ for super purposes. During ‘good service’ your Gold State Super benefit will continue to accrue as normal.

2. Unrecognised Unpaid Leave is:
   - Any period of unpaid leave that does not qualify as Recognised Unpaid Leave.

   Unrecognised Unpaid Leave will impact your super entitlements. An example of Unrecognised Unpaid Leave is unpaid leave that is taken for personal reasons, such as an extended overseas vacation.

Effects of unpaid leave on your Gold State Super benefit

Any period of Recognised or Unrecognised Unpaid Leave that is less than three months in length does not affect your Gold State Super membership and your employer does not need to notify us. You are still required to make contributions for periods of leave less than three months.

| Type of unpaid leave | Membership and employer notification | Contributions | Insurance cover
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PERIOD OF UP TO THREE MONTHS LEAVE</td>
<td>Recognised Unpaid Leave and Unrecognised Unpaid Leave</td>
<td>Your Gold State Super membership is not affected. Your employer does not need to inform us.</td>
<td>You still need to make member contributions to your Gold State Super account.</td>
</tr>
<tr>
<td>PERIOD OF MORE THAN THREE MONTHS LEAVE</td>
<td>Recognised Unpaid Leave</td>
<td>Your Gold State Super membership is not affected. Your employer must notify us in writing.</td>
<td>There are three options available regarding contributions while you’re on unpaid leave. See options on page 9.</td>
</tr>
<tr>
<td></td>
<td>Unrecognised Unpaid Leave</td>
<td>Your Gold State Super membership entitlement will be affected. Your employer must notify us in writing.</td>
<td>You are not able to contribute to Gold State Super. The period will not be counted as service in the calculation of your Final Benefit.</td>
</tr>
</tbody>
</table>

Refer to glossary.


4 Insurance cover is only available to members under age 60.
Contributions while taking Recognised Unpaid Leave

There are three options available to you regarding contributions while you’re on unpaid leave.

**Option 1: Defer contributions (default option)**

You may choose to defer your contributions until you return to work. To avoid paying interest, you will need to repay the deferred contributions owing for your period of unpaid leave in the same amount of time you took as unpaid leave. For example, if you take six months unpaid leave and choose to defer your contributions, you have a maximum of six months to repay the contributions owing following your return to work, to avoid paying interest.

In accordance with legislation, we may charge interest (at a rate determined by us) on any amounts outstanding at the end of the defined period. We do not currently charge interest, but this may change in the future.

If you select this option, your benefit calculation will continue to operate as if you are at work, meaning both your normal Gold State Super benefit and insurance cover for death and disability will continue to accrue at the current rate.

**Option 2: Continue contributions**

When on Recognised Unpaid Leave, you can continue to make your regular Gold State Super contributions by either:

- Sending your normal contribution amount to us each fortnight, or
- Paying the contributions in advance to cover your period of unpaid leave

If you select this option, your account operates as if you are at work, meaning both your normal Gold State Super benefit and insurance cover for death and disability will continue to accrue at the current rate.

**Option 3: Reduced benefit option**

If you decide not to pay any Gold State Super contributions for your period of leave, your chosen contribution rate during this period will change to 0%. Your Gold State Super benefit will still accrue over your period of leave, so you will see an overall reduction to your Average Contribution Rate. Normal Gold State Super benefits, as well as your insurance cover for death and permanent disability, will be reduced in accordance with your Average Contribution Rate.

Following your return to work, you may increase your contribution rate up to 7% (for the period of time required) to bring your Average Contribution Rate back to 5%. You can apply to change your contribution rate at any time by writing to us. Once we receive your request, your change will take effect from the beginning of the next contribution period.

If you retire, die or become totally and permanently disabled before your Average Contribution Rate reaches its previous level, your benefit will be reduced.

You may wish to seek financial advice as to whether Option 3 is suitable for you.

Refer to glossary.

Choosing your contribution option

Once we have been advised of your Recognised Unpaid Leave, we will write to you asking that you select one of the options. You will need to advise us of your choice within one month of receiving our letter.

If you do not advise us of your selection within the month, you will automatically be deemed to have chosen ‘Option 1 - Defer contributions’.

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5 Or any longer period allowed by the Board on the grounds of financial hardship.
6 Not available to a member who is on approved leave while on active duty within the armed forces.
3. Your remuneration and compulsory member contributions to Gold State Super

What is included as Gold State Super remuneration?
As a general principle, any payments or types of income you receive are included as part of your Gold State Super remuneration if they are permanent, ongoing payments. Generally, this includes your base salary, salary packaged amounts, commuted overtime payments and most ongoing allowances related to you performing your job.

Note: allowances are always averaged annually. Where Gold State Super remuneration changes five or more times annually, the remuneration is also averaged.

What is excluded from Gold State Super remuneration?
• Any irregular payments or allowances, or allowances to reimburse you for personal expenses related to your job. Examples include bonuses, payments for overtime, and allowances for rent, travelling or equipment
• Any additional salary paid while on secondment
• Any prescribed temporary allowances - referred to as ‘special allowances’

Special allowances include:
• A Higher Duties Allowance
• A temporary special allowance
• An increase in remuneration as a result of being appointed temporarily to a higher paid position, or
• Any other temporary allowance paid to you for carrying out duties different from, or additional to, those normally carried out by a person doing your job

Inclusion of special allowances and secondment remuneration when calculating your final Gold State Super benefit
Your Final Benefit is calculated by averaging your remuneration over three dates prior to the cessation of your contributory membership. The dates include your membership cessation date and your two previous Selection Dates. The Selection Dates are either the 1st or 16th of the month7, two months before your last two birthdays prior to your membership cessation.

If you have been continuously receiving a special allowance, or you have been on secondment for at least 12 months including your Selection Dates, these payments can be included as part of remuneration on these dates.

What can I do if my special allowance or secondment arrangement is going to cease?
If you have a special allowance or secondment arrangement which is about to cease, and you are close to retiring, you could optimise your Final Benefit by withdrawing from Gold State Super just prior to ceasing the arrangement. This would allow you to qualify for the higher temporary allowance to be included as part of your Final Remuneration. This could significantly improve the amount of your final Gold State Super benefit. Your decision will depend on your personal circumstances. Please call your Member Services Centre on 13 43 72 for more information.

Salary maintenance
Salary maintenance allows you to preserve the value of your accrued benefit when a change in employment conditions results in a decrease in your Gold State Super remuneration. Benefits in Gold State Super are calculated as a multiple of your Gold State Super remuneration. If your equivalent full-time Gold State Super remuneration is reduced, your benefit will subsequently reduce. Salary maintenance enables you to preserve the value of the benefit that you have already accrued, and may also protect the accrual of benefits in the future.


Types of salary maintenance
There are two types of salary maintenance: either full or partial, depending on your age at the time of the salary reduction and the circumstances leading to the reduction in your Gold State Super remuneration.

7 For example if your birthday falls between 1 - 15 May, the 1st of March will be the Selection Date for the last two years. However, if your birthday falls between 16 - 31 May, the 16th of March will be the Selection Date for the last two years.
Full salary maintenance
This allows your contributions and entitlements to be maintained, including any salary increases of the higher paid position that you previously held.
Full salary maintenance may apply if:
• You accept a lower paid position due to ill health or workers’ compensation
• You accept a lower paid position within the same organisation or another WA State Government employer due to redeployment
• You accept a lower paid position if your job is reclassified after positions are reorganised by your employer
• You are aged 50 years or over and you choose to reduce your salary voluntarily

Partial salary maintenance
This allows your contributions and entitlements to be based on your higher salary until such time as the salary of your new position exceeds it. Partial salary maintenance may apply if you are aged under 50 and you choose to reduce your salary voluntarily.
Examples of voluntary salary reduction include:
• If you lose allowances in your current position or by taking a new position
• If you accept a lower paid position for personal reasons

Misconduct or inefficiency
Salary maintenance will not apply if your salary is reduced due to your own misconduct or inefficiency.

Reduction of hours
Salary maintenance will not apply if you choose to reduce the number of hours you work.

Applying for salary maintenance
If you wish to apply for salary maintenance, you need to put your request in writing, quoting your member number and the contact details of your employer at the time of the reduction. We will advise you on the outcome of your application.
The letter can be posted to:
GESB
PO Box J 755
Perth WA 6842

Compulsory member contributions to Gold State Super
For Gold State Super members, member contributions will be deducted from your after-tax salary by your employer, unless you have agreed with your employer that they are to be paid under a salary sacrifice arrangement from your before-tax salary (see page 12).
You can select a contribution rate of 3%, 4%, 5%, 6% or 7% of your salary, either before or after tax. However, over your total membership period, your Average Contribution Rate cannot exceed 5%. Subject to certain exceptions (discussed below), if you have selected a contribution rate of 6% or 7% and your Average Contribution Rate becomes 5%, your contribution rate will be reduced to 5% with effect from the next contribution period.

There are some circumstances where it is possible to increase your contribution rate above 5%:
• If you are a Police Officer, a Magistrate or an Industrial Commissioner (as defined in the State Superannuation Regulations 2001) (see ‘Special arrangements’), or
• Where your Average Contribution Rate has been reduced by a period of contributing at 3% or 4%, or
• Where you have taken periods of Recognised Unpaid Leave and you chose not to pay any contributions

In these last two circumstances, it is possible to increase the contribution rate up to 6% or 7%, but only for the period of time needed to bring your Average Contribution Rate back up to 5%. See section, ‘Taking unpaid leave’ on page 8 for more details.
Changing your contribution rate

You can apply to change your contribution rate at any time by writing to us. Once we receive your request, any changes will take effect from the beginning of the next contribution period.

If you have any financial concerns about your current contribution rate, please contact your Member Services Centre.

If you achieve an Average Contribution Rate of 5% you will receive the maximum employer contribution and subsequent benefit. We recommend you consider seeking financial advice tailored to your personal circumstances to find out which contribution rate is right for you.

For every year you contribute:

<table>
<thead>
<tr>
<th>Contribution Rate</th>
<th>3%</th>
<th>4%</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Final Remuneration</td>
<td>12%</td>
<td>16%</td>
<td>20%</td>
</tr>
</tbody>
</table>

You accrue the following percentage of your Final Remuneration for each year of equivalent full-time contributory membership.

Special arrangements

Police Officers, Magistrates and Industrial Commissioners can apply to contribute an additional amount from the age of 45, if their Average Contribution Rate is 5% from the age of 45.

Police Officers, Magistrates and Industrial Commissioners whose Average Contribution Rate is less than 5% at the time of applying to make additional contributions, must also increase their underlying contribution rate to 7% (if this is not already the case) in order to be able to contribute the additional amount, but only for the period of time needed to bring their Average Contribution Rate back up to 5%.

The benefits afforded to Police Officers, Magistrates and Industrial Commissioners as outlined below, are in addition to the benefits they would accrue as ordinary contributors of 20% of Final Remuneration per year of membership.

The employer contribution will increase in line with the member contribution.

Police Officers

Between the ages of 45 and 55, Police Officers may apply to increase their contributions by up to an additional 2.5% of their salary. The component of the benefit calculated with respect to the additional contribution of up to 2.5% of salary would result in an additional benefit of up to 10% of Final Remuneration per year.

For example, if additional contributions in this arrangement are made at the maximum rate of 2.5% for 10 years, the member will accrue an entitlement equivalent to 5 years’ normal membership.

Magistrates and Industrial Commissioners

From age 45 (or later appointment), Magistrates and Industrial Commissioners may apply to increase their contributions by an additional 5% of salary for a maximum period of 10 years.

If this election is made, the component of the benefit calculated with respect to the additional contribution of up to 5% of salary would provide an additional benefit of 20% of Final Remuneration per year of additional contributions.

For example, if additional contributions in this arrangement are made at the maximum rate of 5% for 10 years, the member will accrue an additional entitlement equivalent to 10 years’ normal membership.

Contributions and tax

You can make contributions to Gold State Super from before-tax or after-tax salary. Unless you have agreed a salary sacrifice arrangement with your employer for your member contributions to be paid from your before-tax salary, your member contributions will be deducted from your after-tax salary.

Before-tax member contributions

Before-tax member contributions are also known as salary sacrifice contributions. When you salary sacrifice into super, you forgo part of your future before-tax salary to your Gold State Super account instead of having it paid to you as salary. This reduces your taxable income and you pay less personal income tax.

Salary sacrifice contributions are made by agreement with your employer from your gross salary before tax is deducted. They are paid by your employer to Gold State Super and are part of the ‘taxable component - untaxed element’ of your benefit. This component is taxed when you access your benefit. See the table on page 28 for more information.

Gold State Super is a constitutionally protected fund and an untaxed fund. It does not pay income tax on any contributions or investment earnings it receives. Your salary sacrifice (before-tax) member contributions made to Gold State Super are not counted towards your concessional contributions cap (see further information in the ‘Tax and super’ brochure available at www.gesb.com.au/brochures). Note however, the untaxed plan cap of $1.415 million will apply to benefits paid from Gold State Super.

Before deciding whether salary sacrifice contributions are right for you, we recommend that you talk to your employer. Any salary sacrifice agreement is between you and your employer and not with us. We also recommend that you seek financial advice before entering into any salary sacrificing arrangements. See also page 30 for information on Division 293 tax for high income earners.

Refer to glossary.

For examples of salary sacrifice calculations, see the ‘Salary sacrifice’ fact sheet for Gold State Super at www.gesb.com.au/factsheets

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8 Note that additional contributions can be made to age 60 in some circumstances.
9 For the 2016/17 financial year, indexed annually in line with Average Weekly Ordinary Time Earnings in increments of $5,000 rounded down.
After-tax member contributions

When you make after-tax member contributions to Gold State Super, they are paid by your employer to Gold State Super after income tax has been deducted. You will not pay any more tax on these amounts when you access your benefit. These are known as non-concessional (after-tax) contributions.

There are limits on the amount of non-concessional contributions that can be made to super. Your after-tax member contributions made to Gold State Super are counted towards your non-concessional contributions cap (together with any other non-concessional contributions made by or for you to another GESB scheme or another super fund). Exceeding your non-concessional contributions cap can be costly (see further information in the 'Tax and super' brochure available at www.gesb.com.au/brochures).

Non-concessional contributions cap

<table>
<thead>
<tr>
<th>Special arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$180,000 p.a.¹⁰</td>
</tr>
</tbody>
</table>

Making after-tax member contributions may mean you are eligible to receive a Commonwealth Government Super Co-contribution.

¹⁰ For 2016/17. This cap is equal to six times the general concessional contributions cap (which is currently $30,000). Where a bring forward has been triggered, the two future years’ entitlements are not indexed. For example, if you trigger the bring forward on 15 March 2014 (when the non-concessional contributions cap was $150,000), your total cap for the three years will be $450,000, even though the non-concessional contributions cap changed to $180,000 on 1 July 2014.
For some people, their final Gold State Super benefit may not be sufficient to support their desired retirement lifestyle. There are many ways in which you can maximise your super to have the lifestyle you want in retirement.

**Additional voluntary contributions**

You can make additional contributions into a GESB Super or West State Super account or to a private regulated super fund. If you don’t already have a GESB accumulation account, a GESB Super account can be opened for you. Please read the Product Information Booklet for GESB Super or West State Super, available at www.gesb.com.au/brochures, before making a decision.

**Spouse contributions**

A good way to secure a financial future for you and your partner is to make personal contributions on their behalf to an account with us. Making spouse contributions allows you to grow your joint retirement savings and can provide a number of tax advantages. Plus your partner will have access to the benefits that a GESB membership offers. If your partner doesn’t already have a GESB Super or West State Super account, a GESB Super account can be opened for them.

To start making spouse contributions you will need to complete a ‘Spouse contributions’ application form, available at www.gesb.com.au/forms and send it to us.

For more information please see the ‘GESB Super Product Information Booklet’ available at www.gesb.com.au/brochures

**Commonwealth Government Super Co-contribution**

The Commonwealth Government Super Co-contribution is an initiative designed to increase the retirement savings of Australians, by matching 50 cents for every dollar of your personal after-tax contributions, up to a maximum of $500.

If you are a low income earner, you may be able to take advantage of the Super Co-contribution payment by making personal after-tax contributions to your super fund.

The table below shows the matching rates and thresholds for 2015/16 and 2016/17 financial years.

<table>
<thead>
<tr>
<th>Year of scheme</th>
<th>Maximum co-contribution</th>
<th>Member contribution</th>
<th>Matching rate</th>
<th>Lower income threshold</th>
<th>Higher income threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>$500</td>
<td>$1,000</td>
<td>50%</td>
<td>$35,454</td>
<td>$50,454</td>
</tr>
<tr>
<td>2016/17</td>
<td>$500</td>
<td>$1,000</td>
<td>50%</td>
<td>$36,021</td>
<td>$51,021</td>
</tr>
</tbody>
</table>

11 The lower income threshold is indexed annually.
12 The higher income threshold is set at $15,000 above the lower income threshold.
Withdrawing as a member

You may voluntarily withdraw as a member of Gold State Super at any time. If you do, you will not be eligible to re-join as a member. If you withdraw from Gold State Super but remain employed in the WA public sector, your Superannuation Guarantee (SG) employer contributions can be paid into your existing West State Super or GESB Super account.

If you do not currently have one of these accounts, a GESB Super account can be opened for you. Your SG contributions can also be made to another complying super fund. If you move to employment outside the WA public sector, GESB will not be able to receive SG contributions from your new employer. You should inform your employer and us if you intend to withdraw from Gold State Super.

You should also read the Product Information Booklet for GESB Super or West State Super, available at www.gesb.com.au/brochures, before making a decision.

Voluntarily withdrawing as a member of Gold State Super does not mean you are entitled to payment of your Gold State Super benefit. If you voluntarily withdraw, you will remain a deferred member and your benefit will be preserved. You will not be able to access your benefit until you reach age 55 and are no longer working in the WA public sector, or are working less than 10 hours a week. You may also be able to access your benefit at age 55 to purchase a Transition to Retirement income stream.

**Beware:** you may pay more tax if you access your benefit too early. Your benefit is taxed according to your Commonwealth preservation age which is different to the age at which you can access your benefit. See section 6, ‘Accessing your super’ for more information.

We strongly recommend that you seek personal financial advice before you make a decision. For more information contact your Member Services Centre.

Is your super on track?

**Checklist**

- Consider contributing your maximum Average Contribution Rate to Gold State Super, to ensure you receive the maximum contribution from your employer.

- If you have contributed 3% or 4% at any time in the past, try to ‘catch up’ by increasing your contribution to 6% or 7% until you get your Average Contribution Rate to 5%. This will maximise your Final Benefit.

- Make additional contributions to GESB Super or West State Super. Simply complete a ‘Super contributions’ form available at www.gesb.com.au/forms or use the BPay®13 facility available through Member Online.

- Consider consolidating your other super accounts into your GESB Super or West State Super account to save on fees. Simply complete a ‘Super consolidation’ form available at www.gesb.com.au/forms and we’ll do the rest of the work for you.

- Start making spouse or partner contributions and they will also receive the benefits a GESB Super account offers. Fill out the ‘Spouse contributions’ form available at www.gesb.com.au/forms

- Consider accessing our help and advice options available through the Learning centre at gesb.com.au or attend a retirement planning seminar or webinar by registering at gesb.com.au

- Register for Member Online. With Member Online you can manage your super online 24 hours a day, 7 days a week. To register, visit our website at mol.gesb.wa.gov.au and follow the instructions.

This checklist is intended to be a guide only. Before making a decision about contributions or consolidation, we recommend you consider seeking financial advice specific to your personal circumstances.
5. Fees and other costs

Did you know?
Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

Your employer may be able to negotiate to pay lower administrative fees. Ask the fund or your financial adviser14.

To find out more
If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

Summary of fees and other costs - effective 1 July 2016

<table>
<thead>
<tr>
<th>Type of fee or cost</th>
<th>Amount</th>
<th>How and when paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment fee</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Administration fee</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>The fee for managing your account</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Buy-sell spread</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Switching fees</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>The fee for changing your investment plan</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Exit fee</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>The fee to close your account</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Advice fees</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Advice fees relating to all members of Gold State Super</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Indirect cost ratio (ICR)</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

Additional explanation of fees and costs

Other Fees and Costs

<table>
<thead>
<tr>
<th>Type of fee</th>
<th>Amount</th>
<th>How and when paid</th>
</tr>
</thead>
</table>
| Advice fee -Retirement Options     | $465   | You can pay in one of the following ways at the time of your appointment:
|                                    |        | 1. Authorise us to deduct the fee directly from your eligible super or retirement income account16 by completing an ‘Authority to deduct’ form
|                                    |        | 2. Pay the fee directly from your nominated cheque or savings account or by credit or debit card
|                                    |        | If two GESB members are attending an appointment together, where both accounts will be discussed, then each member will be charged the fee separately (the total fee amount cannot be paid out of one member’s account).
|                                    |        | Should a member and a non-member attend an appointment, only a single appointment will be arranged, and one fee charged (this service is not available to non-members).

14 The wording above is required by law. However, the statement described above concerning the possibility to negotiate fees and discuss negotiated fees with your financial adviser is not applicable to Gold State Super. For further information, call your Member Services Centre on 13 43 72.

15 The fees in the table are subject to annual indexation, which will be applied on 1 July each year.

16 GESB Super, West State Super, Retirement Income Allocated Pension and Retirement Income Term Allocated Pension are eligible accounts. The fee cannot be deducted from a Gold State Super account.
Defined fees
This section defines the different fees and costs that are able to be applied against your benefit. Please read it carefully as it explains how those fees are defined, and what fees and costs we charge Gold State Super members.

Activity fees
A fee is an activity fee if:

a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
   (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
b) 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

We do not currently charge member activity fees, but may do so in the future.

Administration fees
An administration fee is a fee that relates to the administration or operation of the superannuation entity (Gold State Super scheme) and includes costs incurred by the trustee (GESB) that:

• Relate to the administration or operation of the entity (Gold State Super scheme), 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

We do not charge Gold State Super members an administration fee. Administration fees apply to GESB Super and West State Super.

Advice fees
A fee is an advice fee if:

a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
   (i) a trustee of the entity, or
   (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity, and
b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee

The Retirement Options Service fee is a fixed advice fee and is charged on a user-pays basis.

Buy/Sell spreads
A buy/sell spread is a fee to recover transaction costs incurred by the trustee of the entity (GESB) in relation to the sale and purchase of the superannuation entity’s (Gold State Super scheme) assets.

No buy/sell spread currently applies to your Gold State Super account.

Exit fee
An exit fee is a fee to recover the costs of disposing of all or part of a member’s interest in the superannuation entity (Gold State Super scheme).

We do not currently charge Gold State Super members an exit fee, but may do so in the future.

Indirect Cost Ratio
The Indirect Cost Ratio (ICR), for a MySuper or investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

The ICR does not apply to your Gold State Super account.

Investment fee
An investment fee is a fee that relates to the investment of the assets of a superannuation entity 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 trustee (GESB) of the entity that:
  - Relate to the investment of assets of the entity, and
  - Are not otherwise charged as an administration fee, a buy/sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee

No investment fees apply to your Gold State Super account.

Switching fee
A switching fee is a fee to recover the costs of switching all or part of a member’s interest in the superannuation entity from one investment option or product in the entity to another.

No switching fees apply to your Gold State Super account.

Tax
Taxes may apply. Please refer to section 8, ‘Tax considerations’ for more information.

We may change the fees that we charge as set out in this section.

We reserve the right to review and change the fees in this section without your consent to ensure the structure and level of fees is appropriate, including any additional costs resulting from any government tax or statutory charge. We will always inform you of any changes through our website or through our six monthly Member Statement. If the change is an increase in fees or charges, we will inform you at least 30 days’ notice where required by law.
6. Accessing your super

For most members, you will be able to access your Gold State Super benefit when you turn 55 and are either:

- No longer working for the WA public sector, or
- Commencing a Transition to Retirement strategy, or
- Working less than 10 hours per week

There will, however, be tax implications for accessing your benefit before your Commonwealth preservation age. Your Commonwealth preservation age is dependent on your date of birth.

The table below shows the current Commonwealth government preservation ages.

<table>
<thead>
<tr>
<th>Your date of birth</th>
<th>Commonwealth preservation age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1 July 1960</td>
<td>55</td>
</tr>
<tr>
<td>1 July 1960 - 30 June 1961</td>
<td>56</td>
</tr>
<tr>
<td>1 July 1961 - 30 June 1962</td>
<td>57</td>
</tr>
<tr>
<td>1 July 1962 - 30 June 1963</td>
<td>58</td>
</tr>
<tr>
<td>1 July 1963 - 30 June 1964</td>
<td>59</td>
</tr>
<tr>
<td>After 30 June 1964</td>
<td>60</td>
</tr>
</tbody>
</table>

For more information on how your Commonwealth preservation age impacts how your benefit is taxed, read the 'Tax and super' brochure available at www.gesb.com.au/brochures

Currently your super benefit may be paid out in the following circumstances:

- You are at least 55 years of age and have ceased public sector employment or have returned to the WA public sector and work less than 10 hours per week
- You apply to access your super benefit to purchase a Transition to Retirement income stream
- You die (in which case the benefit is paid to your estate)
- You become totally and permanently disabled, or suffer from a terminal medical condition and terminate employment with the WA public sector, or
- You receive approval from us to release your super on financial hardship or compassionate grounds

There are other circumstances when 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.

Beware: you may pay more tax if you access your benefit too early. Your benefit is taxed according to your age, in particular your Commonwealth preservation age which is different to the age at which you can access your benefit. For more information see section 8, ‘Tax considerations’.

If you were previously a member of the WA Public Sector Pension Scheme

If you have Gold State Super and were previously a member of the WA Public Sector Pension Scheme, the contributions you made to the scheme (plus interest) can be paid to you on the completion of your WA public sector employment if you are under age 55. However, your Past Service Benefit (from the WA Public Sector Pension Scheme) and Contributory Service Benefit will remain preserved with us until you become entitled to your Gold State Super benefit.

There are tax implications if you choose to receive the Transferred Contributions and Interest component of your benefit as cash before you have reached your Commonwealth preservation age. Please note that the tax treatment of your benefit is impacted by your age, in particular your Commonwealth preservation age if you are under 60 (see section 8, ‘Tax considerations’).

Your employer will tell us when you have ceased work and will send us information regarding your salary and last working date, along with any outstanding contributions. Once we have received this information, we will calculate your Final Benefit and send you a benefit statement.

This statement details the components that make up your super benefit.

Retirement options

Our Retirement Income Allocated Pension

A Retirement Income Allocated Pension can turn your super into tax-effective regular income, paid monthly, quarterly or annually. It offers you the convenience of a regular income and allows you to invest your super in the investment plan of your choice.

Our Retirement Income Allocated Pension allows you to adjust the level of income you receive each financial year (subject to it being at least at or above the minimum Commonwealth government limit) making it adaptable to your changing financial circumstances. You also have access to extra funds if you need it, because you can make lump-sum withdrawals of $1,000 or more from your account at any time. Our Retirement Income Allocated Pension provides a tax-effective income for as long as there is money in your account.


Transferring from an untaxed fund

When you transfer your investments into a retirement income stream, such as our Retirement Income Allocated Pension, from an untaxed fund, like West State Super or Gold State Super, the tax applied on the transfer is exactly the same as would be applied if you transferred to any other taxed super fund.

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17 Provided that at least $1,000 remains in your account balance, unless your account is to be closed. Lump-sum withdrawals are not applicable to Transition to Retirement members.
The receiving fund will deduct tax from your ‘taxable component - untaxed element’ at 15%. There is an untaxed plan cap amount of $1.415 million per super fund for the 2016/17 financial year (indexed annually). If your ‘taxable component – untaxed element’ exceeds this cap, the excess is taxed at 49% by GESB before transferring the money to the taxed fund.

For details of your tax components, please call your Member Services Centre who can provide you with a benefit estimate.

Transition to Retirement

Transition to Retirement is a super strategy that allows you to access your super as an income stream while still working. You don’t have to reduce your work hours, but you may choose to as a way to balance your work with your lifestyle, health or family priorities.

If you do reduce your hours, the income you receive from your super benefits can help to supplement any loss of salary.

To be eligible for Transition to Retirement, you must have reached age 55 to purchase GESB’s Retirement Income Allocated Pension, or your Commonwealth preservation age to purchase an allocated pension from a private regulated super fund.

Beware: you may pay more tax if you access your benefit too early. Your benefit is taxed according to your age, in particular your Commonwealth preservation age which is different to the age at which you can access your Gold State Super benefit.


Transition to Retirement can offer you financial benefits and flexibility such as:

- **Increasing your income** - by receiving an income stream from an allocated pension as well as your normal salary
- **Increasing your super** - by continuing to work and sacrifice some of your salary to super
- **Reducing your hours** - without reducing your income

Features of a Transition to Retirement strategy

With Transition to Retirement you can:

- Access your super once you reach age 55
- Commence a Transition to Retirement strategy with part or all of your Gold State Super benefit and start a non-commutable income stream from our Retirement Income Allocated Pension
- Choose to receive between the minimum19 and a maximum of 10% of your pension account balance each financial year, as at the start of the financial year
- Change the amount of pension you receive each year, subject to minimum and maximum limits set by the Commonwealth government
- Continue to work and have your contributions paid into Gold State Super
- Change your super account structures if your personal circumstances change


It is possible for your Gold State Super membership to carry contribution arrears. For example, if you take Recognised Unpaid Leave and you forget to send us your contributions every two weeks, then arrears will accrue.

It is important to realise that:

- Contribution arrears are not calculated or payable when you take a transfer under the Gold State Super Transition to Retirement rules, and
- You are liable to pay any contribution arrears owing to Gold State Super when your benefit is paid to you

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18 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 www.gesb.com.au/brochures
19 4% for the 2013/14 financial year onwards. This applies on a pro-rata basis on the first year of joining.
How will Transition to Retirement affect my existing Gold State Super benefit?

Both contributing and deferred members of Gold State Super can access 100% of their benefit from age 55 to start a Transition to Retirement allocated pension.

- **For contributing members**
  Accessing part or all of your benefit will reduce the Benefit Multiple used to establish the value of your Final Benefit. This reduction is called the Offset Multiple. Unless you choose to withdraw from Gold State Super, your membership will remain open and your Defined Benefit and Benefit Multiple will grow as you continue working.

- **For deferred members**
  Accessing part of your benefit reduces the value of your Final Benefit by the equivalent amount. Any remaining balance will continue to accrue at CPI\(^{20.2}\%). If you roll over all of your benefit to an allocated pension, your Gold State Super membership (including your entitlement to any benefits from Gold State Super) will cease.

**Deferred Division 293 tax debts and Transition to Retirement**

If you have a service period that started before 1 July 1983, then any withdrawal from an untaxed fund such as Gold State Super, or rollover to a taxed fund, will trigger the crystallisation of the pre-1 July 1983 amount for the untaxed element in the fund. This pre-1 July 1983 amount forms part of your tax-free component. For taxed funds such as GESB Super, this crystallisation took effect on 30 June 2007. For more information, see the ‘Pre-1 July 1983 service for untaxed super funds’ fact sheet, available at www.gesb.com.au/factsheets

**Redundancy and resignation**

Even if you don’t stay in the WA public sector until retirement, you can still take advantage of the valuable benefits offered by Gold State Super. Entitlement and benefit options depend on whether you have reached age 55. See the table on page 21 for more information.

**Benefit entitlement**

If you are a Gold State Super member and are made redundant or resign from the WA public sector, then you may be 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. Call your Member Services Centre for more information.

---

20 Perth CPI calculated in accordance with the State Superannuation Regulations 2001.
### Summary of entitlement and benefit options

<table>
<thead>
<tr>
<th>Age/event</th>
<th>Entitlement</th>
<th>What happens to my insurance?</th>
<th>When is tax paid?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Under 55 years of age</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you are made redundant or resign</td>
<td>Preserve your benefit in Gold State Super until you reach 55</td>
<td>Your insurance cover for Death and Total &amp; Permanent (TPD) Disablement will cease. If you want to replace this, you will need to make your own arrangements for insurance cover.</td>
<td>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. 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. See section 8, ‘Tax considerations’ on page 28.</td>
</tr>
<tr>
<td><strong>55 years of age or over</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you are made redundant or resign</td>
<td>This is regarded as normal retirement and you will have access to your benefit in full. You can open our Retirement Income Allocated Pension, take a lump sum or roll over to another complying super fund.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Refer to glossary.

### Calculating your benefit

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 or you choose to resign, your benefit will be calculated as at your termination or resignation date.

### Example 4

The following is an example of a benefit calculation. It is provided for illustrative purposes only.

**Assumptions about Matthew**

- Age Matthew joined Gold State Super: 23 years
- Length of full-time employment: 22 years
- Age at redundancy: 45 years
- Average Contribution Rate: 5% (maximum)
- Final Remuneration at redundancy: $79,000
- Completed Months of Service: 264 months (22 years x 12 months)

\[
\text{Completed Months of Service} \times 20\% \times \frac{\text{Average Contribution Rate}}{5} \times \text{Final Remuneration} = \ \text{Benefit Value}
\]

\[
\frac{264}{12} \times 20\% \times \frac{5}{5} \times $79,000 = 22 \times 20\% \times 1 \times $79,000 = $347,600
\]

Matthew’s benefit was calculated to be $347,600 (before-tax).

Refer to glossary.

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21 Important: if you are under 55 and transferred from the WA Public Sector Pension Scheme, you can choose to receive the Transferred Contributions and Interest component of your benefit when you resign or if you are made redundant. There are tax implications if you choose to receive the Transferred Contributions and Interest component of your benefit as cash before you have reached your Commonwealth preservation age. All other funds must be preserved in Gold State Super until you reach 55 years of age. Please note that the tax treatment of your benefit is impacted by your age, in particular your Commonwealth preservation age if you are under 60 (see section 8, ‘Tax considerations’ on page 28). Under some circumstances, withdrawing the Transferred Contributions and Interest component of your benefit will result in your Transferred Service Benefit being forfeited. Please see the ‘Withdrawing as a member’ section on page 15 or contact your Member Services Centre for more information.
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% per annum until age 55, and then indexed annually at Perth CPI plus 2% per annum.

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% per annum.

However 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 part of your benefit if you are under age 55 and we determine you are in severe financial hardship or early release is permitted on compassionate grounds (within the meaning of 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 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

Divorce

In the event of separation or divorce, you will need to take a close look at your super arrangements as the Family Law Act 1975 affects the way in which super entitlements are treated.

Splitting your super benefit in the event of a divorce

Super is treated as property that can be divided between parties in the event of a marriage breakdown. The splitting of your super can be authorised by:

• A formal agreement between you and your spouse called a ‘Superannuation Agreement’ or ‘Binding Financial Agreement’, or
• A ‘Court Order’ issued by the Family Court directing GESB to split your super

We will split your super entitlement in accordance with the Agreement or Order and create a separate ‘interest’, i.e. a new account, for your current or former spouse, unless otherwise directed by them.

In WA, defacto and same sex couples who are resident in Western Australia cannot currently apply to the Family Court for a splitting order in relation to super.

Calculating the value of your benefit

The notional, or predicted benefit amount shown on your most recent Member Statement, should not be used for Family Law valuation purposes because this value will not necessarily be representative of the true value of your benefit at a particular time for Family Law purposes.

For enquiries regarding your Gold State Super benefit amount, please complete the Family Court’s ‘Form 6 Declaration’ and the ‘Superannuation Information Request’ form, and return these to us.

The forms are included in the ‘Superannuation Information (Do-it-yourself kit)’, which is available for download from www.familylawcourts.gov.au. Once we receive the forms we will be able to calculate the value of your benefit, after applying the appropriate Commonwealth reduction factor.

Note: effective from 1 March 2009, the Commonwealth government amended the Commonwealth Family Law Act 1975 to extend superannuation splitting to defacto couples. However, the Commonwealth changes do not apply to defacto relationships in WA.

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22 Perth CPI calculated in accordance with the State Superannuation Regulations 2001.
23 There are tax implications if you choose to receive the Transferred Contributions and Interest component of your benefit as cash before you have reached your Commonwealth preservation age. See section 8, ‘Tax considerations’ on page 28.
Payment to your former spouse from your super

When we receive a splitting order or agreement, we will identify the non-member spouse’s interest, adjust the amount by growth rates specified in the legislation, and split your benefit. The non-member spouse will be required to meet any tax liability on their component of the superannuation benefit, unless your order specifies otherwise.

Depending on your age and the status of your Gold State Super membership (i.e. deferred or active) at the time your super is split, your benefit may have a discount factor applied to your multiple.

An eligible person has a right to information about your super

We may be obliged by the provision of the Family Law Act 1975 to provide specified membership information to an ‘eligible person’ at their request.

Eligible persons have the right to obtain information about a member’s super. If a person is eligible to receive the information, we must provide it to them.

Eligible persons include:

- A member of GESB
- Their married spouse or former spouse
- A person who is intending to enter into a super agreement with a GESB member

When an eligible person other than the member requests or receives information, the GESB member cannot be notified by GESB, due to requirements of the Commonwealth Family Law legislation.

The type of information that can be provided to an eligible person includes:

- Membership history
- The current value of the member’s benefit (or information to allow it to be calculated), and
- Details of any existing splitting orders

The purpose of providing access to information is to enable both parties to be able to verify the value of a member’s super entitlement if a property split or a super agreement is about to occur.

The person requesting information about the super account must complete two forms: a ‘Superannuation Information Request’ form and a ‘Form 6 Declaration’ to certify that they are eligible to request the information.

These forms are included in the ‘Superannuation Information (Do-it-yourself kit)’, which can be downloaded by visiting the Family Law Court website at www.familycourts.gov.au

Application of the ‘right to obtain information’ rules

The new Family Law legislation applies to all married couples who finalise a Court Order or super agreement on or after 28 December 2002. It does not apply to divorced couples whose property arrangements were legally finalised before the new laws came into effect on 28 December 2002, unless the Court sets aside an earlier Order.

If you have a Court Order from prior to 28 December 2002, which requires a payment from your superannuation account, please contact your Member Services Centre.

Fees and charges

Super funds are entitled to levy reasonable fees and charges to recover costs involved in providing information or administering Court Orders or super agreements. We do not currently charge a fee for providing this information, but this is subject to change without notice. Fees may apply in relation to effecting a Family Law split. Your Member Services Centre will be able to confirm any applicable fees at the time of your enquiry.

See section 5, ‘Fees and costs’ for more information.

Due to the complex nature of super and Family Law, we strongly recommend members and spouses each seek independent legal and financial advice before finalising an agreement involving a super fund, as there may be tax and other financial implications. You may also be eligible for services from Legal Aid. For more information about Legal Aid, phone 1300 650 579.

7. Your insurance cover

Gold State Super includes automatic insurance cover for all contributing members up until the age of 60. This provides you and your family with the security of knowing that, while you are a member of Gold State Super, financial support is available should you die or become permanently disabled. This insurance cover is a key feature of Gold State Super and is provided to you at no extra cost.

Levels of insurance cover

Your insurance cover in Gold State Super is based on the results of the medical examination undertaken at the time you joined the scheme and/or further medical information which you may be required to provide to GESB in certain circumstances. You can qualify for one of three levels of cover: Standard, Limited and Minimum.

Standard Cover

This means the results of your medical examination were satisfactory. Standard Cover provides the maximum insurance cover available under Gold State Super. In the event of your death or permanent disablement, your insured benefit is equivalent to what you would have received if you had continued as a contributing member of Gold State Super to age 60 years.

Limited Cover

Your medical examination revealed certain medical conditions that make you an above average risk of retiring prior to age 60, and your cover is limited to Minimum Cover in relation to these conditions. If your death or permanent disability is not caused by or related to the medical conditions for which your cover is limited, then benefits equal to Standard Cover are payable.

Minimum Cover

This means you only have basic cover because you chose not to have a medical examination at the time you joined Gold State Super. Your insured benefit is equivalent to the value of the Commonwealth's SG rate of 9.5% that you would have accrued from the date of death, or from the date of retirement due to permanent disability, until you reach age 60 years.

Your latest Member Statement shows your current level of insurance cover.

Changing your level of insurance cover

You can undergo a medical examination to reassess your level of cover at any time, at your own expense. If you have Limited Cover, you can apply to have your cover reviewed if your medical condition(s) has improved. For information relating to the removal of limitations, call your Member Services Centre.

If you have Minimum Cover and you would like to increase your level of insurance cover, you will need to complete a medical examination, which will require part of the report to be completed by a Registered General Practitioner.

Death and Permanent Disability Benefits

Death Benefit

Your Death Benefit includes an insured component if you die while employed within the WA public sector and you are under age 60 years. The amount payable depends upon your accrued benefit at the time of death plus any insured component. The insured component is calculated based on your future service to age 60 and the level of your insurance cover.

Note: upon death, your super benefit is paid to your estate. However if GESB cannot identify an executor or administrator of your estate, we may, in limited circumstances, pay up to $25,000 of a death benefit to one or more of your partner, relatives or dependants, or towards your funeral expenses. If you wish to have your super paid to certain beneficiaries, then you will need to make provisions in your Will.

Total and Permanent Disability Benefit

You are deemed to be totally and permanently disabled if we are satisfied that you are medically incapable of working in your usual position until at least age 60 years, and any other alternative position for which you are qualified by way of experience, education and training or re-training.

A Total and Permanent Disability Benefit comprises your accrued benefit, and an insured component. The insured component is calculated based on your future service to age 60 and the level of your insurance cover.

Partial and Permanent Disability Benefit

You are deemed to be partially and permanently disabled if we are satisfied that you are medically incapable of working in your usual position to age 60 years, but have the capacity to perform the duties of an alternative position which is suitable to your experience, education and training or ability to be re-trained.

A Partial and Permanent Disability Benefit comprises your accrued benefit and an insured component. The insured component is calculated similarly to a Total and Permanent Disability Benefit and is reduced in proportion to your assessed future earning capacity to age 60 years.

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24 We may require you to provide further medical information if you work on a part-time basis and increase your hours, or if you apply to continue as a Gold State Super member after ceasing to be a member (see page 25). We may reduce your cover based on this medical information. We may also reduce your cover if medical information you have provided contains a statement you knew to be untrue, or that was misleading because it omitted material information that you knew about.

25 The Super Guarantee rate increased to 9.5% on 1 July 2014.
Calculation of Death or Permanent Disability Benefits

Your Death or Permanent Disability Benefit is the sum of your accrued benefit and the insured component (see diagram below).

Accrued benefit
This is your total benefit built up in Gold State Super until the date of death or retirement due to permanent disablement.

Insured component
This is the benefit you would have built up from the date of death or retirement due to permanent disablement until age 60 and is based on several factors.

- Your Final Remuneration
- Your Notional Service to age 60, which is equal to the number of completed months from the date of death or disability to age 60 years (pro rata if you work part-time)
- Your Average Contribution Rate
- Your level of insurance cover
- Your future remuneration capacity as determined by us (if a partial and permanent disability payment)

Refer to glossary.


The following examples are for illustrative purposes only. They show how John’s Death Benefit (or permanent disability) would be calculated if he had Standard Cover or Minimum Cover. The assumptions for both scenarios are as follows:

Assumptions about John
- Age John joined Gold State Super: 25 years old
- Age John died or became permanently disabled: 45 years old
- Employment status: full-time
- Average Contribution Rate: 5% (maximum)
- Final Remuneration: $45,000
- Completed Months of Service: 240 months (20 years x 12 months)
- Notional Service: 180 months (15 years to age 60 x 12 months)

The insured component for a Death or Permanent Disability Benefit is determined by the following factors:

- Your Final Remuneration
- Your Notional Service to age 60, which is equal to the number of completed months from the date of death or disability to age 60 years (pro rata if you work part-time)
Example 5 – John has Standard Insurance Cover

**Step 1  Calculate the accrued benefit**

The following formula is used to calculate John’s accrued benefit (as at the date of death or permanent disablement):

\[
\text{Accrued Benefit} = \frac{\text{Completed Months of Service}}{12} \times 20\% \times \frac{\text{Average Contribution Rate}}{5} \times \text{Final Remuneration}
\]

\[
\frac{240}{12} \times 20\% \times \frac{5}{5} \times \$45,000 = \$180,000 \text{ (before-tax)}
\]

**Step 2  Calculate the insured component of the Death or Permanent Disability Benefit**

To calculate the insured component we use the same formula as above, except we calculate the Notional Service John would have accumulated from the time of his death or permanent disablement until the age of 60. As John had 15 years until he reached age 60, his Notional Service is calculated as 180 months.

\[
\text{Insured Component} = \frac{\text{Notional Service}}{12} \times 20\% \times \frac{\text{Average Contribution Rate}}{5} \times \text{Final Remuneration}
\]

\[
\frac{180}{12} \times 20\% \times \frac{5}{5} \times \$45,000 = \$135,000 \text{ (before-tax)}
\]

**Step 3  Calculate the Death or Permanent Disability Benefit**

This is the sum of the accrued benefit plus the insured component, as calculated in Steps 1 and 2.

\[
\$180,000 + \$135,000 = \$315,000 \text{ (before-tax)}
\]

Example 6 – John has Minimum Insurance Cover

**Step 1  Calculate the accrued benefit**

This is the same as the accrued benefit calculation in the previous example, i.e. $180,000 (before-tax).

**Step 2  Calculate the insured component of the Death or Permanent Disability Benefit**

The benefit amount changes in this example because John has Minimum Cover. In contrast to the last example, where the maximum 20% Average Contribution Rate was used in the calculation, in this case the 9.5% Superannuation Guarantee is used.

\[
\text{Insured Component} = \frac{\text{Notional Service}}{12} \times 9.5\% \times \text{Final Remuneration}
\]

\[
\frac{180}{12} \times 9.5\% \times \$45,000 = \$64,125 \text{ (before-tax)}
\]

**Step 3  Calculate the Final Benefit**

This is the sum of the accrued benefit plus the Death or Permanent Disability Benefit, as calculated in Steps 1 and 2.

\[
\$180,000 + \$64,125 = \$244,125 \text{ (before-tax)}
\]

Note: the Final Benefit may also include a Transferred Service Benefit from the WA Public Sector Pension Scheme or a Non-Contributory Service Benefit if you transferred from being a non-contributory member to a contributory member before September 1993.

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26 If John died, we would transfer his super entitlements to the executor of his estate. We would not withhold any tax as John’s estate is responsible for paying any relevant taxes.

27 The Superannuation Guarantee (SG) rate increased to 9.5% on 1 July 2014. The SG rate that is used in the calculation of an insured component is the rate applicable at date of termination of employment.
Working part-time can affect your Death or Permanent Disability Benefit

If you change to working part-time, your accrued benefit will grow at a slower rate due to the fact that your Completed Months of Service accrue according to the hours you actually work. The table below provides an example:

<table>
<thead>
<tr>
<th>Service Multiple</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time employee (FTE)</td>
<td>Normally accrues one month of service every 30.4 days</td>
</tr>
<tr>
<td>Part-time employee</td>
<td>At 50% of full-time equivalent, normally accrues one month of service every 60.8 days</td>
</tr>
</tbody>
</table>

Your insured component will be lower than if you were full-time because your Notional Service is calculated based on your current part-time working arrangements.

Your equivalent full-time salary will be used when calculating your accrued benefit and insured component of the Death or Permanent Disability Benefit, regardless of whether you are working part-time or full-time.

For more information see the ‘Working part-time’ fact sheet for Gold State Super at www.gesb.com.au/factsheets or call your Member Services Centre.

For contribution rates of less than the maximum 5%

If your Average Contribution Rate is less than the maximum 5% then both the accrued benefit and insured component of your Death or Permanent Disability Benefit will be lower than if you contributed the maximum 5%.

See example below.

Example 7

John has not contributed to Gold State Super at the maximum Average Contribution Rate. His average is only 3%.

**Step 1** Calculate the accrued benefit

\[
\text{Accrued benefit} = \frac{\text{Completed Months of Service}}{12} \times 20\% \times \frac{\text{Average Contribution Rate}}{5} \times \text{Final Remuneration}
\]

\[
\text{Accrued benefit} = \frac{240}{12} \times 20\% \times \frac{3}{5} \times \$45,000 = \$108,000 \text{ (before-tax)}
\]

**Step 2** Calculate the insured component of the Death or Permanent Disability Benefit

\[
\text{Insured component} = \frac{\text{Notional Service}}{12} \times 20\% \times \frac{\text{Average Contribution Rate}}{5} \times \text{Final Remuneration}
\]

\[
\text{Insured component} = \frac{180}{12} \times 20\% \times \frac{3}{5} \times \$45,000 = \$81,000 \text{ (before-tax)}
\]

**Step 3** Calculate the Death or Permanent Disability Benefit

\[
\text{Death or Permanent Disability Benefit} = \text{Accrued benefit} + \text{Insured component}
\]

\[
\text{Death or Permanent Disability Benefit} = \$108,000 + \$81,000 = \$189,000 \text{ (before-tax)}
\]

28 If John died, we would transfer his super entitlements to the executor of his estate. We would not withhold any tax as John’s estate is responsible for paying any relevant taxes.
8. Tax considerations

Once your Gold State Super benefit becomes payable, the tax treatment will depend on:

- How the benefit is paid
- Your age, in particular your Commonwealth preservation age if you are under 60 and
- The components of your benefit

Your benefit can be:

1. Paid as a lump sum
2. Rolled over to another complying super fund, or
3. Transferred to an income stream (such as our Retirement Income Allocated Pension)

**Beware:** you may pay more tax if you access your benefit too early. Your benefit is taxed according to your age, in particular your Commonwealth preservation age which is different to the age at which you can access your benefit. See section 6, ‘Accessing your super’ for more information.

### Application of tax to benefits paid

#### 1. Lump sum

If you take your benefit as a lump sum, it is taxed according to your age and the components that make up your benefit. No tax is payable on the tax-free component. The tax payable on the taxable component is as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Age</th>
<th>Tax withheld rate (including Medicare Levy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable component - untaxed element</td>
<td>Under Commonwealth preservation age</td>
<td>First $1.415 million(^{30}) = 32%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Balance = 49%</td>
</tr>
<tr>
<td></td>
<td>Commonwealth preservation age - 59</td>
<td>First $195,000(^{30}) = 17%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>From $195,000(^{30}) up to $1.415 million(^{30}) = 32%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Balance = 49%</td>
</tr>
<tr>
<td></td>
<td>60+</td>
<td>First $1.415 million(^{30}) = 17%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Balance = 49%</td>
</tr>
</tbody>
</table>

#### 2. Roll over your benefit

If you roll over all or any portion of your benefit to a taxed super fund, you will be taxed on the untaxed element by the new fund at a rate of 15% when it is received. However, if you exceed your untaxed plan cap (i.e. $1.415 million per super fund for the 2016/17 financial year, indexed annually) then we will deduct 49% tax on the excess prior to rolling over your money.

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29 Includes 2% Medicare Levy.

30 For the 2016/17 financial year, indexed annually in line with Average Weekly Ordinary Time Earnings, in increments of $5,000 rounded down.
3. Income stream

If you transfer your super to an allocated pension to receive your super as an income stream, tax is deducted from your untaxed element at a rate of 15% upon the transfer.

However, if you exceed your untaxed plan cap (i.e. $1.415 million for the 2016/17 financial year, indexed annually) then we will deduct 49% tax on the excess prior to completing the transfer.

This example is for illustrative purposes only.

Example 8 – Tax calculation on a lump-sum benefit

John, 61, a recently retired teacher, has a Gold State Super membership. John has decided to access his Gold State Super balance of $300,000 as a lump-sum payment. Since he has already contributed $50,000 from his after-tax income, this component is tax-free. The following shows how the tax is calculated on John’s Final Benefit.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Tax withheld rate (including Medicare Levy)</th>
<th>Tax withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross benefit</td>
<td>$300,000</td>
<td>–</td>
</tr>
<tr>
<td>Tax-free component</td>
<td>$50,000</td>
<td>Not assessable, not exempt income</td>
</tr>
<tr>
<td>Taxable component - untaxed element</td>
<td>$250,000</td>
<td>17%</td>
</tr>
<tr>
<td>Net benefit (after tax)</td>
<td>$257,500</td>
<td>–</td>
</tr>
</tbody>
</table>

The tax-free component is not subject to tax. The untaxed element of $250,000 is taxed at a maximum rate of 17% because John is taking the benefit as a lump sum.

If John had chosen to transfer his Gold State Super benefit to a taxed super scheme or income stream, such as GESB Super or our Retirement Income Allocated Pension, the untaxed element of his benefit would have been taxed at only 15% (or $37,500) leaving him with a net benefit of $262,500. This is because the Medicare Levy is not payable on rollovers as it is with cash payments.

Warning: tax file numbers (TFN)

It is not compulsory to provide your TFN. However, not providing your TFN may have certain consequences. Additional tax may apply to your benefit if you have not provided your TFN. It also means that we cannot accept your personal contributions. This will affect your eligibility for the Commonwealth Government Super Co-contribution payment. We will safeguard the privacy of your TFN, if provided, and only use it in accordance with the rules made pursuant to Privacy (Tax File Number) Rule 2015. For more information on how we safeguard your privacy, read the privacy statement available at gesb.com.au/privacy

You can lodge your TFN via Member Online or by calling your Member Services Centre on 13 43 72 to obtain a form.

Contribution limits

As super receives tax concessions that can reduce the amount of tax you pay, there are limits on the amount that you or your employer can contribute.

However if you are a Gold State Super member, employer contributions (including salary sacrifice) made to your Gold State Super account are not considered to be concessional contributions, as they are in most other Australian super funds. Therefore, they do not count towards your concessional contributions cap. This is because Gold State Super is a constitutionally protected fund.

Instead, there is a cap of $1.415 million per super fund for the 2016/17 financial year (indexed annually), which applies to the untaxed benefit. This is the amount of ‘taxable component – untaxed element’ that can be paid or rolled over to a taxed fund and still be subject to concessional tax treatment.

Refer to the glossary for a definition of the taxable component.

31 Includes 2% Medicare Levy
32 For the 2016/17 financial year, indexed annually in line with Average Weekly Ordinary Time Earnings, in increments of $5,000 rounded down.
Warning: Division 293 tax for high income earners

The concessional tax treatment of certain super contributions is reduced for high income earners from 2012/2013 and later income years. If an individual’s adjusted taxable income plus low tax contributions exceed the high income threshold of $300,000, an additional 15% tax is paid on the value of those low tax contributions that exceed the $300,000 threshold. For the avoidance of doubt the individual is liable for the tax. There are special rules for defined benefit interests like Gold State Super, constitutionally protected State higher level office holders, certain Commonwealth justices and temporary residents who depart Australia.

Important note

For defined benefit super funds like Gold State Super, there are special rules for how the low-tax contributions are calculated. As employer contributions to defined benefit funds are notional, this amount has to be determined before the Division 293 liability can be assessed. For more information on how Division 293 applies to constitutionally protected funds and defined benefit interests, visit the ATO website at www.ato.gov.au.

This is a complex area and if you think you might be affected by Division 293 tax, we recommend that you seek personal financial advice specific to your circumstances. Further information is available in the ‘Tax and super’ brochure available at www.gesb.com.au/brochures, or you can visit the ATO website at www.ato.gov.au.

Temporary Budget Repair Levy

A Temporary Budget Repair Levy has been imposed by the Federal Budget for the 2014/2015, 2015/2016 and 2016/2017 years of income and affects members whose taxable income exceeds $180,000 in the relevant financial year. The levy has implications for super in the following ways:

- Excess concessional contributions are included in your taxable income and taxed at your marginal rate, which will include the rate of the new levy (2%) if your taxable income is above $180,000
- The tax rate on excess non-concessional contributions will increase from 47% to 49%
- The tax rate for exceeding the untaxed plan cap increased to 49%

Benefit components in untaxed funds where a pre-1 July 1983 service exists

If you have a service period that commenced before 1 July 1983, then any withdrawal from an untaxed fund such as Gold State Super, or roll over from an untaxed fund to a taxed fund, will trigger the crystallisation of the pre-1 July 1983 amount for the untaxed element in the fund. This pre-1 July 1983 amount will form part of your tax-free component. For taxed funds, such as GESB Super, this crystallisation took effect on 30 June 2007.

In the following example, we revisit John’s situation to illustrate tax paid on benefit components in untaxed funds, where pre-1 July 1983 service exists:

This is a complex area and we recommend that you seek professional financial advice and/or tax advice to ensure your calculation is made on the whole benefit.

For more information, read the ‘Pre-1 July 1983 service for untaxed super funds’ fact sheet available at www.gesb.com.au/factsheets or call your Member Services Centre.

Example 9

If John has pre-1 July 1983 service, i.e. he started contributing or was deemed to have started contributing to a super fund before 1 July 1983, a proportion of his untaxed element would be tax-free.

Let’s say that 20% of John’s eligible service with the WA Department of Education was before 1 July 1983 and 80% after. This would generally mean that 20% of the gross benefit of $300,000 is tax-free. The table below shows this.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Tax withheld rate (including Medicare Levy)</th>
<th>Tax withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross benefit</td>
<td>$300,000</td>
<td>–</td>
</tr>
<tr>
<td>• Taxable component - untaxed element</td>
<td>$250,000</td>
<td>–</td>
</tr>
<tr>
<td>• Tax-free component</td>
<td>$50,000</td>
<td>–</td>
</tr>
<tr>
<td>• Pre-1 July 1983 amount</td>
<td>$60,000 (20% of the original tax-free component and untaxed element)</td>
<td>–</td>
</tr>
<tr>
<td>• Updated tax-free component</td>
<td>$110,000</td>
<td>Not assessable, not exempt income</td>
</tr>
<tr>
<td>• Updated taxable component - untaxed element</td>
<td>$190,000 Total benefit ($300,000) less the updated tax-free component ($110,000)</td>
<td>17%</td>
</tr>
<tr>
<td>Net benefit (after-tax)</td>
<td>$267,700</td>
<td>–</td>
</tr>
</tbody>
</table>

33 Includes 2% Medicare Levy.
9. Complaints process

Any current or former member can make a complaint, or a person acting on their behalf.

Your complaint may be made verbally or in writing. You can either:
• Call our Member Services Centre on 13 43 72
• Send an email to memberservices@gesb.com.au
• Write to us at Member Services – Feedback, GESB, PO Box J 755, Perth, WA 6842

In most cases we will aim to resolve your complaint over the phone, or through writing, but if that is not possible, we will implement our internal dispute resolution procedure.

We will acknowledge your complaint, and you will be provided with the name of and contact details of the relevant person at GESB who will deal with your complaint.

We will try to resolve your complaint within 30 days, and if you are not satisfied with the outcome, you can request an independent internal review. If you are not satisfied with the outcome of the internal review, you may be able to take your complaint to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body established by the Commonwealth government to assist members to resolve complaints. The SCT may be contacted by phone on 1300 884 114 or you may visit their website at www.sct.gov.au

For more information on our complaints process, download the ‘Resolving your complaint’ fact sheet available at www.gesb.com.au/factsheets

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Tax on death benefits

The benefit payable on your death will be the balance in your account, plus any insured benefit (if applicable) paid as a lump sum to your estate.

Various tax treatments will apply upon your death depending on certain criteria. If you die before you withdraw or roll over your super, we will generally pay your super to your estate. We do not withhold tax as your estate is responsible for paying any relevant taxes.

When the executor of your Estate pays the Death benefit as a lump sum to a dependant, it will be paid tax-free. A lump-sum Death benefit paid to a non-dependant however, will be subject to tax at 17% on the taxed element of the taxable component, and 32% on the untaxed element of the taxable component.

A Death benefit dependant includes:
• Your spouse (including a de facto, same sex spouse or former spouse)
• A child aged under 18 (including an adopted child, a step child, or ex-nuptial child)
• Any person who is financially dependent on you, and
• Any person with whom you have an interdependency relationship

Two persons (whether or not related by family) have an interdependency relationship if:
• They have a close personal relationship, and
• They live together, and
• One or each of them provides the other with financial support, and
• One or each of them provides the other with domestic support and personal care

An interdependent relationship also includes two persons (whether or not related by family):
• Who have a close personal relationship, and
• Who do not meet the other criteria listed in the paragraph above because either or both of them have a physical, intellectual or psychiatric disability

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34 Includes 2% Medicare Levy.
10. Privacy

It is important to GESB that individuals dealing with us are confident that we respect their personal information and do not interfere with their privacy when handling this information. As a Western Australian statutory corporation, GESB is not bound by the Australian Privacy Principles (APP) or the rules made pursuant to the Privacy (Tax File Number) Rule 15 (Privacy TFN Rule) established by or issued under the Commonwealth Privacy Act 1988. GESB has implemented a Privacy Policy that incorporates the APP, and the Privacy TFN Rule to ensure that it handles private information about individuals responsibly. This Privacy Statement outlines features of our Privacy Policy designed to protect the privacy of personal information and, in particular, it outlines the approach that GESB takes to your personal information which we collect in the course of our work.

GESB holds and uses personal information about each member. Typically this includes a member’s name, address, date of birth, gender, salary, tax file number and any other required information. This information is needed to maintain records in a format that identifies the member. These records are essential to the proper management of the superannuation schemes administered by GESB and to allow us to provide members with superannuation benefits.

GESB might also collect health information about a member to determine the appropriate benefit classification for a member to obtain death or disablement insurance cover from an Insurer or to process a disability claim. GESB may record a person’s visit to the website and collect the following information, for statistical purposes only:

- User’s server address
- User’s top level domain name (e.g. .com, .gov, .au, .uk etc.)
- Date and time of the visit to the site
- Pages accessed and documents downloaded
- Previous site visited
- Type of browser used

No attempt will be made to identify users or their browsing activities except where this is required by law or where the user’s consent is obtained. The only exception is instances where we are required to respond to an enquiry or complaint made by you or there is a legal requirement for us to do so.
## 11. Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Contribution Rate</strong></td>
<td>The average percentage rate of your salary at which you contributed during your employment while working for the WA public sector as a Gold State Super member.</td>
</tr>
<tr>
<td><strong>Completed months of service</strong></td>
<td>Your months of equivalent full-time contributory service in Gold State Super.</td>
</tr>
<tr>
<td><strong>Contributory Service Benefit</strong></td>
<td>Your Gold State Super benefit including your personal and employer contributions.</td>
</tr>
<tr>
<td><strong>Equivalent full-time contributory service</strong></td>
<td>This is used in the calculation of your final Gold State Super benefit. It is the number of equivalent full-time months you have contributed to Gold State Super. If you were working 50% part-time for 12 months, you would only have accrued six equivalent full-time months of service.</td>
</tr>
<tr>
<td><strong>Final Benefit</strong></td>
<td>This is the final amount paid to you from the Gold State Super scheme.</td>
</tr>
<tr>
<td><strong>Final Remuneration</strong></td>
<td>Your average salary based on three key dates during your last two years of employment as a Gold State Super member. For part-time employees, your Final Remuneration is based on your equivalent full-time salary. It includes Higher Duties Allowance (HDA) or Temporary Special Allowance (TSA), if one of these is received for at least 12 months continuously within the last two years of employment and is received on your ceasing date and/or one or both selection dates. For employees on secondment for at least 12 months on one of the three key dates, remuneration for that day is taken to be the higher of the remuneration for the job from which the employee was seconded and the remuneration for the job to which the employee was seconded. Please contact your Member Services Centre if you have any queries about the qualifying criteria, as each person’s situation may be different. Note: the Final Benefit may also include a Transferred Service Benefit from the WA Public Sector Pension Scheme or a Non-Contributory Service Benefit if you transferred from being a non-contributory member to a contributory member before September 1993.</td>
</tr>
<tr>
<td><strong>Notional Service</strong></td>
<td>The potential number of equivalent months of service you would have worked from the date of death or retirement due to permanent disablement until the date of your 60th birthday.</td>
</tr>
<tr>
<td><strong>Recognised Unpaid Leave</strong></td>
<td>Leave that your employer counts as good service, e.g. parental or sick leave.</td>
</tr>
<tr>
<td><strong>Remuneration</strong></td>
<td>The salary that is counted for super purposes. Generally it comprises gross salary less any irregular payments such as overtime, bonuses and personal expense allowances.</td>
</tr>
<tr>
<td><strong>Retirement Date</strong></td>
<td>If you retire from the WA public service, or the workforce on or after age 55, or for purposes of determining a withdrawal benefit, the date of withdrawal.</td>
</tr>
<tr>
<td><strong>Selection Date</strong></td>
<td>This is the date that we calculate the amount you need to contribute to Gold State Super each year, taking into account your chosen contribution rate. See page 5 for more information on calculating your Selection Date.</td>
</tr>
<tr>
<td><strong>Taxable component</strong></td>
<td>The taxable component is the value of the super interest less the tax-free component. This component may consist of a ‘taxed element’ and an ‘untaxed element’ depending on the source of the super money. For example, Gold State Super is an untaxed fund and the taxable component in that fund will generally consist of an untaxed element. However, GESB Super is a taxed fund and the taxable component will be a taxed element.</td>
</tr>
<tr>
<td><strong>Transferred Contributions and Interest</strong></td>
<td>If you were previously in the WA Public Sector Pension Scheme, then this component of your benefit is the contributions and interest previously transferred from the WA Public Sector Pension Scheme.</td>
</tr>
<tr>
<td><strong>Transferred Service Benefit</strong></td>
<td>If you were previously in the WA Public Sector Pension Scheme, then this additional service benefit is based on past full-time employment, and was given to you when you transferred from the WA Public Sector Pension Scheme.</td>
</tr>
<tr>
<td><strong>Unrecognised Unpaid Leave</strong></td>
<td>Leave that your employer does not count as good service, e.g. leave for an extended overseas vacation.</td>
</tr>
<tr>
<td><strong>Untaxed plan cap</strong></td>
<td>This cap is the limit that is imposed on untaxed benefit that can be paid as a lump sum or rolled over to a taxed fund or income stream and still be subject to concessional tax treatment. Currently, the untaxed plan cap is $1.415 million per super fund for the 2016/17 financial year (indexed annually). Amounts up to the untaxed plan cap are taxed at 15% on entry to a taxed fund. Any amount exceeding the untaxed plan cap will be taxed at 49%, prior to rolling over.</td>
</tr>
</tbody>
</table>
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