

Optional Access to Early Retirement Benefits

Non-mandatory nature of the superannuation option for State Superannuation Scheme (SSS) members aged 50 and over who are offered voluntary redundancy.

The purpose of this Circular is to clarify the non-mandatory nature of the superannuation option for State Superannuation Scheme (SSS) members aged 50 and over who are offered voluntary redundancy. The relevant legislation came into effect on 1 July 1999.

Under the option SSS members between ages 50 and 55 taking voluntary redundancy may, with their employer's agreement, defer the superannuation retrenchment benefit and elect to receive an early retirement pension at age 55. The option may assist the voluntary redundancy programs of some departments and agencies. However, they are under no obligation to implement it, and should be aware that if they agree to this arrangement, they will be required to continue making contributions for the retrenched employee until he/she attains age 55.

The contributions will be based on the same salary as applied immediately before the employee's retrenchment.

As employer costs in SSS can vary markedly for each member, departments and agencies are advised to carefully examine the financial merits of offering the early retirement option to retrenched employees, to determine whether they will achieve overall savings as a result of providing access to this benefit. Further details regarding superannuation costs are available from the relevant contact officers at State Super.

Employees should be informed at the time redundancy offers are made whether the early retirement option will be available to them. If so, employees will need to know that they will be required to pay their outstanding contributions to age 55 in a lump sum.

Philip Gaetjens
Secretary

Which agencies does this Circular apply to?

This Circular applies to Departments, Executive Agencies related to Departments, Separate Agencies.

Who needs to know about this Circular?

Secretaries, Senior Executives, Managers, Employees, Payroll, Industrial Relations, Human Resources.

Issued by: Public Sector Industrial Relations, NSW Industrial Relations, NSW Treasury

Contact: Public Sector Industrial Relations, ph. 9228 5987, psir@industrialrelations.nsw.gov.au

Web: www.treasury.nsw.gov.au

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