



# SA METROPOLITAN FIRE SERVICE SUPERANNUATION SCHEME

## OPTIONAL SALARY SACRIFICE OF "COMPULSORY" CONTRIBUTIONS (NOT APPLICABLE TO RETAINED FIREFIGHTERS)

The purpose of this brochure is to provide you with information for the salary sacrifice of compulsory superannuation contributions to the SA Metropolitan Fire Service Superannuation Scheme.

Compulsory member contributions (5.5% to 6.0% of annual salary depending upon age at joining the Scheme) can be salary sacrificed. Additional voluntary contributions are also able to be salary sacrificed via a separate form.

### What is Salary Sacrifice of Superannuation Contributions?

You forfeit receiving part of your salary/wages and direct the amount to superannuation as compulsory contributions to the Scheme.

### Can I salary sacrifice all of my contributions to the Scheme or only additional voluntary member contributions?

You can now salary sacrifice your mandatory contributions which go towards building up your defined benefit entitlements. You can also salary sacrifice additional voluntary contributions that are credited into your Additional Voluntary account.

### How are Salary Sacrifice Contributions treated?

The Scheme must treat salary sacrifice contributions as employer contributions for tax purposes, and will credit them to your *Contribution Account*.

### Do Salary Sacrifice Contributions attract Tax?

Yes, as salary sacrifice contributions are treated as employer contributions, the Scheme is required to deduct 15% tax (contribution tax) from the contributions.

That means that you must contribute a greater amount to allow for the 15% contribution tax being deducted. The following table shows the gross amount of annual salary you have to now salary sacrifice.

Age Joined Scheme	DB rate – after tax	DB rate – before tax
20	5.5%	6.47%
21	5.6%	6.59%
22	5.7%	6.71%
23	5.8%	6.82%
24	5.9%	6.94%
25	6.0%	7.06%

However, your employer does not deduct any PAYG tax from the salary sacrifice contributions you make.

### Are there any tax issues with Salary Sacrifice Contributions when I retire?

Contributions are included in the taxable components of your benefit when it is paid from the Scheme.

Depending upon your age at retirement, the type of benefit you receive and your period of Scheme membership, you may or may not be subject to the lump sum tax on your benefit. As a result, the benefit associated with the salary sacrifice contributions may be taxed at a rate between 0% and 20% (excluding the medicare levy).

After tax member contributions are not taxed at the time of payment from the Scheme although interest allocated may be subject to tax.

### Are Salary Sacrifice Contributions Preserved?

Yes. All salary sacrifice contributions and interest earned on these contributions are preserved. This means that you will only be able to have the corresponding benefit paid out of superannuation if you are over your preservation age and are permanently retired from the workforce. If you are not permanently retired you can rollover to other superannuation arrangements or retain your benefit in the Scheme.

### If I am already making additional voluntary salary sacrifice contributions from my salary, can I also salary sacrifice my compulsory contributions?

Yes. A separate form is required and compulsory contributions are quite separate from voluntary salary sacrifice contributions.

### Can I have my Salary Sacrifice Contributions paid out of the Scheme if I change my mind?

No. If you are working you cannot receive any payment from the Scheme. If you have ceased employment, then normal benefit payment and preservation conditions apply.

### The arrangements are as follows:

- Salary sacrifice of compulsory superannuation contributions to the Scheme can be made directly with your employer.
- Members/employees make an agreement to salary sacrifice compulsory superannuation contributions direct with their employer.
- The cost for members to do this is \$44.00 (including GST) payable to the employer (by payroll deduction) to cover administration for setting up an agreement or any change to an existing agreement.
- There is no ongoing weekly administration fee.
- Once the arrangement is in place, the Payroll area at SAFECOM will send the salary sacrifice contributions direct to the Scheme.

### How do I start a new arrangement to make salary sacrifice of compulsory superannuation contributions?

You will need to complete 2 forms obtainable from the Scheme.

- **Government Form**  
**Form 7 – Salary Sacrifice of Superannuation Agreement** (South Australian Government Schemes Excluding Triple S).
- **SAMFS Super Scheme Form**  
**Notification of Salary Sacrifice Arrangement form.**

### Where do I send my completed forms?

Send both to the Scheme at the address below.

**The Manager**  
**SA Metropolitan Fire Service Super Scheme**  
**GPO Box 98**  
**ADELAIDE SA 5001**

On receipt of your forms the Scheme will take note of the pending arrangement and will forward the Form 7 - Salary Sacrifice of Superannuation Agreement to the payroll area at SAFECOM for processing.

### Where can I get more information about this and other changes to the Government's salary sacrifice provisions?

- Go to the website of SA Government Salary Sacrifice Arrangement 2008-11.  
[http:// www.pswd.sa.gov.au](http://www.pswd.sa.gov.au)

- Contact the Employer's Human Resource Officer.

### SCHEME CONTACT

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### Important things to note.

1. *The Scheme is not party to these arrangements other than it being the Scheme into which the salary sacrifice of compulsory contributions is made for eligible employees of the SAMFS, SAFECOM, SES, CFS & DTF who are also Scheme members.*
2. *The Trustee is not providing advice as to any benefits (or otherwise) of salary sacrifice arrangements or whether existing arrangements with Maxxia Pty Ltd should be cancelled (or otherwise).*
3. *The Trustee strongly recommends that professional financial advice be sought prior to making any decision to commence or change a salary sacrifice arrangement.*
4. *The Trustee does not accept any responsibility for any actions taken by individuals based on this information provided.*

**Issued by SA Metropolitan Fire Service Superannuation Pty Ltd (ACN 068 821 750) as trustee for the SA Metropolitan Fire Service Superannuation Scheme**