



SA METROPOLITAN FIRE SERVICE SUPERANNUATION SCHEME

SALARY SACRIFICE OF VOLUNTARY CONTRIBUTIONS (NOT APPLICABLE TO RETAINED FIREFIGHTERS)

The purpose of this brochure is to provide you with information for the salary sacrifice of superannuation contributions to government schemes.

Compulsory member contributions (5.5% to 6.0% depending upon age at joining the Scheme) can now be salary sacrificed. Additional voluntary contributions are able to be salary sacrificed as well.

What is Salary Sacrifice of Superannuation Contributions?

You forfeit receiving part of your salary/wages and direct the amount to superannuation as voluntary 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 voluntary salary sacrifice contributions as employer contributions for tax purposes, and will credit them to your *Additional Voluntary account* where they will be allocated the Scheme's crediting interest rate which may be positive or negative. You can choose from seven (7) investment options with the 'growth' portfolio being the default option.

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 if the Scheme receives \$100 of salary sacrifice contributions, \$15 is paid to the Australian Taxation Office (ATO) and \$85 is credited to your Additional Voluntary account.

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 member contributions from my after tax salary, can I convert these to Salary Sacrifice contributions?

Yes. You can make changes to your salary sacrifice arrangements at any time. A fee applies for each change (as detailed later) which is payable by payroll deduction for the administrative work associated with the payroll changes.

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 follow:

- Salary sacrifice of voluntary superannuation contributions to the Scheme can be made directly with your employer.

- Members/employees make an agreement to salary sacrifice voluntary 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 Shared Services will send the salary sacrifice contributions direct to the Scheme.

How do I start a new arrangement to make salary sacrifice of voluntary 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 Shared Services 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 Delegate.

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 additional voluntary contributions is made for eligible employees of the SAMFS, SAFECOM, SES, CFS and 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., Remunerator or Smart Salary 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 (ABN 99 439 309 855) June 2008