

Retirement

Your State or Police account options

Once you reach your preservation age (the age you may be eligible to access your super) and permanently retire from the workforce, you are eligible to claim your super from us.

Your options upon retirement are:

- Fortnightly defined pension available at retirement from age 55
- Combination of a lump sum withdrawal and a fortnightly defined pension
- Subject to eligibility, any combination of:
 - Transfer your benefit to a Retirement Income account and/or Lifetime Pension and/or
 - Transfer your benefit to an Accumulation account and/or
 - Withdraw a lump sum

Your final benefit, regardless of which option you choose, is calculated using a formula that factors in your final average salary, and years of contributory service in your State or Police account.

Your lump sum options

If you are a State account member, retiring at age 60 or later, and you want to receive a lump sum, you need to apply for this within one month of your retirement date.

Option 1 – Fortnightly defined pension

If you retire from age 55 to 60 and want to apply for a fortnightly defined pension, you need to complete a State or Police Account Claim form within one month of your retirement date.

If you are a State account member and retire on or after turning age 60, your benefit will automatically convert to a fortnightly defined pension. Complete a State or Police Account Claim form to arrange your pension payments.

Your pension will be adjusted in August each year in line with inflation, based on the Consumer Price Index: All groups, Brisbane (CPI) for the preceding 12-month period ending 30 June. If your pension started partway through the financial year, we will apply a proportionate variation to your annual pension in August.

What happens to your defined pension when you die

In the event of death, the fortnightly defined pension can be transferred to your spouse if you have death cover. The spouse pension amount will be approximately 67% of your fortnightly defined pension amount.

To be entitled to receive a spouse pension, you must have the same spouse at the date of your retirement and at the time of your death.

Please contact us to check whether you have death cover.

All QSuper members

If you opened your Police account after 27 February 1984 and at the time of your death your spouse is wholly and financially dependent on you, your spouse can choose either a spouse pension or a lump sum payment.

If you do not have a spouse who is entitled to a spouse pension upon death, no further benefit is payable. A child's pension may be payable in the event of your death.

Female QSuper members

If you are a female QSuper account holder and you opened your:

- State or Police account before 27 February 1984 without applying for spouse cover, you cannot access a spouse pension. In this situation, no further benefit is payable upon death.
- Police account before 27 February 1984 with death cover attached, and at the time of your death your spouse is wholly and financially dependent on you, your spouse can choose either a spouse pension or a lump sum payment.

Male QSuper members

If you are a male QSuper account holder and you opened your Police account before 27 February 1984, your spouse can choose either a spouse pension or a lump sum payment.

Definition of a spouse

A spouse includes the person you are married to, including same-sex marriages. This can include your de facto spouse if you lived together as a couple on a genuine domestic basis¹ for a continuous period of at least two years before your death, or a shorter period if the circumstances of the relationship showed a clear intention for it to be a long-term, committed relationship.

¹ Within the meaning of the *Acts Interpretation Act 1954* (Qld) section 32DA. For more information, see our Police Account Guide and State Account Guide at qsuper.qld.gov.au/guides

Child's pension

If you have children, a fortnightly pension may be payable to each dependent child until they reach age 18, or until age 25 if they are in full-time education. Additionally, a lifetime child's pension may be payable if your child has a disability (as defined in the *Disability Services Act 2006*) at the time of your death. Please contact us for more information.

Option 2 – Combination of a defined pension and lump sum withdrawal

You have the option to convert all or part of your pension to a lump sum benefit, with a corresponding reduction in your defined pension benefit.

We calculate the lump sum benefit you are entitled to using factors that relate to your age and gender.¹ If you would like to know what your lump sum value would be, please call us on **1300 360 750**.

Option 3 – Transfer or withdraw your benefit

3.1 Open an Accumulation account

You can continue investing your money by transferring your benefit to a QSuper Accumulation account. Our Accumulation account offers a wide range of investment options, and you can choose the combination that suits your attitude to risk and return.

In the Accumulation account you can:

- Make lump sum withdrawals (if eligible)
- Transfer in money from other superannuation funds
- Make contributions to your super if you are aged 74 or under.

If you are aged 60 or over, you may be eligible to contribute to super under the downsizer contribution scheme. See our Personal Contributions Guide for more information, available at qsuper.qld.gov.au/guides

For more information about our Accumulation account, see our Product Disclosure Statement for Accumulation Account (PDS) available at qsuper.qld.gov.au/pds or call us on **1300 360 750** to request a copy, free of charge.

3.2 Open a Retirement Income account and/or Lifetime Pension

A QSuper Retirement Income account can be a flexible, tax-effective way to receive regular payments from your superannuation, while you continue investing your money with QSuper. You can choose how much income you want to receive and your payment frequency. You are also able to make additional lump sum withdrawals when needed.

To start a Retirement Income account, you need to have a minimum balance of \$30,000. You can transfer up to \$1.7 million into retirement products and receive tax-free investment earnings in our Retirement Income account.

A QSuper Lifetime Pension provides you (and your spouse if the spouse protection option is chosen) with fortnightly income payments for the rest of your life. It is designed to be used alongside a Retirement Income account and you can choose how much of your benefit you would like to allocate to each product. To purchase a Lifetime Pension, you need to have a minimum balance of \$10,000.

To start a Retirement Income account and/or Lifetime Pension, log into QSuper Member Online at memberonline.qsuper.qld.gov.au, or complete an application form available at the back of the PDS. If you don't already have a QSuper Accumulation account, you will need to open one before you are able to start a Retirement Income account and/or Lifetime Pension.

For more information about our retirement income solutions, see our Product Disclosure Statement for Income Account and Lifetime Pension (PDS) available at qsuper.qld.gov.au/pds or call us to request a copy, free of charge.

3.3 Withdraw a lump sum

There is no minimum withdrawal amount, but you'll need to keep a minimum account balance of \$10,000 if you wish to keep an Accumulation account open. Otherwise, you can withdraw all your funds and close your accounts.

If you are under 60 years of age, tax may apply on any withdrawals depending on your age, and the tax-free and taxable components of your superannuation. If you are 60 years of age or older, withdrawals are tax-free.

¹ As prescribed under the Trust Deed for Australian Retirement Trust.

Once you have chosen an option

Tax on your benefit

The tax you pay when you receive your superannuation benefit depends on factors including your age, why a benefit is being paid, and whether your benefit is paid as a pension or a lump sum.

Your benefit will consist of two components: a **tax-free** component, and a **taxable** component. In most instances you pay no tax on your tax-free component. The tables below summarise when you may have to pay tax:

Payment type	Your age	Effective tax rate (including Medicare levy)
Fortnightly defined pension	Younger than your preservation age	<ul style="list-style-type: none"> Your marginal tax rate on the taxable component
	Between your preservation age and 60 years old	<ul style="list-style-type: none"> Your marginal tax rate less 15% tax offset on the taxable component
	60 years or older	<ul style="list-style-type: none"> 50% of the annual pension payment over \$106,250 (2022-23 financial year) is taxed at your marginal tax rate Otherwise, no tax

Payment type	Your age	Effective tax rate on taxable component (including Medicare levy)
Lump sum payment	Younger than your preservation age	<ul style="list-style-type: none"> Your marginal tax rate or 22%, whichever is lower
	Between your preservation age and 60 years old	<ul style="list-style-type: none"> No tax up to low rate cap¹ (\$230,000 for the 2022-23 financial year) For benefits over the low rate cap, your marginal tax rate or 17%, whichever is lower
	60 years or older	<ul style="list-style-type: none"> No tax

Your **preservation age** (the age you may be eligible to access your super) is based on your date of birth, as follows:

Your date of birth	Age you can access your super
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
1 July 1964 or later	60

Permanent disability benefits

If you are entitled to a permanent disability **pension payment**, you pay tax as shown in the table on page 2 of this factsheet. If you receive a pension under your preservation age, you will also receive the 15% tax offset.

If you choose to receive a permanent disability **lump sum payment**, your tax-free component is increased by an amount calculated as follows:

$$\text{Amount of benefit} \times \frac{\text{Days to retirement}}{\text{Service days} + \text{Days to retirement}}$$

Terminal medical condition

A terminal medical condition benefit is not available with the State account. However, if you are diagnosed with a terminal medical condition (an illness or injury that will likely result in your death within 24 months, also known as the certification period), any lump sum payments you receive within the certification period are tax-free.

If you are diagnosed with a terminal medical condition within 90 days of withdrawing a lump sum from your superannuation, you can apply to the Australian Taxation Office (ATO) to be reimbursed for any tax deducted.

Surcharge

Some members may be liable for the surcharge, which is a tax payable on certain contributions made before 30 June 2005. Please refer to your latest annual statement, or call us to see whether this applies to you. For more information, see our Superannuation Surcharge Guide at qsuper.qld.gov.au/guides

How to claim your benefit when you retire

If you've retired and want to claim your benefit, please complete a State or Police Account Claim form. This form is available from qsuper.qld.gov.au/forms or from your employer, or you can call us to request a copy.

You need to provide the following information along with your form so we can process your claim:

- An Employer Certification form that has been completed by your employer
- Identification required to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (see details on the claim form).

¹ The low rate cap is a lifetime cap, which is reduced by any taxable amount you receive after you reach your preservation age.

How long it can take to process your claim

We will generally aim to process your claim within seven working days of receiving your form and all required information, including a completed Employer Certification form, provided you have stopped working.

Additional information

What happens to your QSuper Accumulation account when you retire

In addition to your State or Police account, your employer contributes to a QSuper Accumulation account. Your Accumulation account benefit will be available once you permanently retire after reaching your preservation age, or after meeting another condition of release.

Your Accumulation account benefit will be the balance in your account at the time you retire. Your options are:

- Leave it in your QSuper Accumulation account
- Open a QSuper Retirement Income account
- Open a QSuper Lifetime Pension (a minimum of \$10,000 is required)
- Withdraw the benefit, or roll over your benefit to another superannuation fund.

Choosing to take your State or Police account balance as a lump sum or a defined pension will not affect your Accumulation account.

If you want to open a QSuper Retirement Income account, you will need to meet one of the following circumstances and have a minimum of \$30,000 to transfer:

- You have reached your preservation age (the age you may be eligible to access your super), or
- You are an eligible beneficiary of a superannuation death benefit, or
- You met another eligibility requirement, such as being totally and permanently disabled.

For more information, see our Product Disclosure Statement for Income Account and Lifetime Pension. You will need to keep a minimum of \$10,000 in your Accumulation account to keep it open. For more information, see our Product Disclosure Statement for Accumulation Account.

Personal financial advice

Deciding what is best for you will depend on your personal circumstances and you may want to seek personal financial advice to get the most from your superannuation. You can find out more about financial advice options at qsuper.qld.gov.au/advice

For more information

We are committed to making it easier for you to understand your options, so you can feel confident that you are making the right choices for your super. If you have any questions about this factsheet or your super in general, call us on **1300 360 750** or visit qsuper.qld.gov.au

Member Services team

Phone 1300 360 750
Overseas +61 7 3239 1004
Monday to Friday 8.00am – 6.00pm (AEST)

Postal address GPO Box 200, Brisbane QLD 4001
Email qsuper@qsuper.qld.gov.au
Fax 1300 242 070
Website qsuper.qld.gov.au

Member Centres

Visit qsuper.qld.gov.au/membercentres for locations

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