



# Super Administration Guide

## New employees

This guide details the rules that payroll and human resources (HR) staff need to understand to set up and administer super for new employees.

It covers:

- How to determine which super scheme your employees can (or must) join
- How to start a new employee in CSS, PSS, PSSap or ADF Super
- What starting salaries and contribution rates to use for new employees
- What information and forms new employees need

## Who do these rules apply to?

The sections of this guide about scheme eligibility cover the default rules for participating employers in CSS, PSS and PSSap. Your agency may have different rules, so if you're not sure about your specific eligibility criteria, please contact our employer service desk or the Department of Finance's SuperBranch before relying on this information.

The information in this guide doesn't relate to super eligibility for serving Australian Defence Force members.



Commonwealth  
Superannuation  
Corporation

## Which scheme can new employees join?

We administer four super schemes– CSS, PSS, PSSap and ADF Super. Each of these schemes has different eligibility rules.



It's important you check which scheme your new employee can (or must) join. Starting a new employee in the wrong super scheme (e.g. starting a new employee in PSSap when they have compulsory PSS membership) can have significant financial consequences for both you and your employee. This can include:

- both of you owing contributions in arrears
- incorrect super benefits being paid
- your employee not receiving correct insurance and invalidity entitlements

It's your responsibility to make sure every new employee starts in the correct fund.

### Fund restrictions

All of our funds have eligibility restrictions in place, which means not just anybody can join.

CSS and PSS are closed to new members, but employees may be able, or required, to continue contributing when they move from one employer to another. They may also be able, or required, to rejoin if they've contributed in the past and either left their super balance in the fund to claim at a later date or are being paid an invalidity retirement pension. Your employees' specific options will depend on their employment contract with you.

PSSap is a limited choice fund. This means that employees can only join when they're in eligible employment (known as 'employer-sponsored' membership). As long as they remain in eligible employment for at least 12 continuous months, they'll be able to keep contributing to PSSap if they move to a non-eligible employer (known as 'choice membership').

ADF Super is also a limited choice fund. ADF Super members can only join through being a serving member of the Australian Defence Force (ADF). As long as they have 12 months continuous ADF super membership<sup>1</sup> and have not elected to contribute to a different fund, they can keep contributing to ADF Super when they transition out of the ADF.

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<sup>1</sup> Due to service in the permanent forces or continuous full-time service

## Membership options

Most Australian workers can choose which super fund their contributions are paid to. Some, however, must join a particular fund. Each employer may also have one or more default super funds. A default fund is where you pay super contributions if your employee isn't required to contribute to a particular fund and doesn't elect an alternative fund for their contributions.

Employees who are required to join a particular fund are often those who have previously contributed to CSS or PSS – meaning they must rejoin (or continue contributing to) the fund when they start working for you. If they don't want to contribute to CSS or PSS anymore, they may be able to elect to leave the scheme once they've rejoined.

Our members can contribute to the same fund through two (or more) participating employers at the same time. For example, they may be working part-time at two agencies at once or they may be on paid leave from one employer while working for another. PSSap members can't have both employer-sponsored and choice membership at the same time though.

## Eligibility tools

We have two tools to help you make sure your employee is in the right scheme: an online eligibility determiner available through **Employer Services Online (ESO)**, and an eligibility determiner flowchart available on **our website**.

The online eligibility determiner is the best way to figure out your employee's super options. You can use it to search our records and find out if your new employee has ever been a member of CSS or PSS. If it finds a match, you enter information about their employment status and it'll tell you if they're able to, or required to, rejoin CSS or PSS. We recommend you check all employees born before 1991 to make sure that you don't start them in the wrong fund. You can find out more about the eligibility determiner in our ESO user guide.

The flowchart on our website can give you general information about fund eligibility based on your employee's circumstances. You can also provide it to employees who want to know why they have been placed in a particular fund.

## Starting employees in the wrong super scheme

If you start an employee in the wrong super scheme (e.g. if they were started in PSSap but had compulsory PSS membership) it's important to set up the correct membership as soon as possible. Once this is done you need to correct any payments that have been made into the wrong scheme and ensure any contribution arrears are paid.

If you have multiple impacted employees please contact your **employer relationship manager** so we can work together to make the required adjustments.

## **Employees started in an accumulation scheme instead of a defined benefit scheme**

If you started your employee in an accumulation scheme such as PSSap instead of a defined benefit scheme such as CSS or PSS, the first step is to contact us to set up their membership correctly – we need to backdate their membership to the day they were first required to join CSS or PSS.

You'll need to immediately pay any employer productivity superannuation contributions (EPSC) and employer liability arrears that have accrued since your employee's start date. Your employee will also owe member contributions in arrears. Member contribution arrears should generally be repaid within 13 paydays, but we may be able to approve a longer repayment period if this would cause financial hardship.

CSS members must contribute at 5% for the period they were in the wrong scheme. PSS members can elect a contribution rate between 2% and 10% for the period they were in the wrong scheme. This election must be made before the arrears payments begin. If they don't elect a contribution rate for the backdated period, you should default them to a rate of 5%. Your employees may wish to seek financial advice before electing a contribution rate.

It's your responsibility to communicate with your employee in these situations, but we can let you know the amount of arrears that are due based on their contribution rate.

If you incorrectly started your employee in PSSap, you can request a refund of contributions made in error by completing our refund request form. The amount refunded may be different from the amount paid due to changes in the fund's unit prices.

If you incorrectly started your employee in a fund we don't administer, you need to contact that other fund directly.

## **Employees started in a defined benefit scheme instead of accumulation scheme**

If you started your employee in either CSS or PSS and they weren't entitled to join, contact us to close the incorrect account. We'll refund any contributions that have been paid. You should set up your employee's in PSSap account (if it's your default super fund) as soon as possible to minimise the impact on your employee's fund earnings – you don't need to wait for their CSS or PSS account to be closed first.

## Starting super for new employees

To make administering super as easy as possible, we can receive membership and contribution data electronically. The data format you use changes depending on your employee's super scheme.

### Starting employees in CSS or PSS

You need to send CSS and PSS data to us in a SuperStream alternative file format extended (SAFFE) file. You can submit this to us through our ESO portal. Before starting a new employee you will need to know which AGS number to use – find out more about this in the 'continuous service' section below.

Depending on the size of your agency, you can create and submit your SAFFE manually in ESO or create your SAFFE in your payroll system and upload it. Find out more about submitting contributions and data in our ESO user guide.

### Starting employees in PSSap (for participating employers)

You need to send PSSap data to us in a SuperStream alternative file format (SAFF) file, which is normally created fortnightly by your payroll system and loaded into your clearing house. If you're an employer with PSSap as a default fund, we offer you the option to use our clearing house at no additional cost.

Once we receive the data for a new employee, our system will automatically create their PSSap membership. We'll let you know your new employee's PSSap membership number through your clearing house's messaging system. You should enter the PSSap membership number into your system so it's included in each following SAFF and future super contributions can be allocated to the correct account.



It's important to give us **personal** contact details for each new member rather than their contact details at work. We've got important information to share with them about their super and insurance after they join.

### Starting employees in PSSap (for non-participating employers)

If your employees aren't eligible for employer-sponsored PSSap membership, they'll need to have previously been an employer-sponsored member for at least 12 months for you to contribute to PSSap on their behalf. They must also nominate you as their employer through their member services online account. You can contribute to PSSap through your clearing house, but you need to include their existing PSSap membership number or the contribution will be rejected.

### Starting employees in ADF Super

If your employee wants you to contribute to ADF Super on their behalf, they'll need to have previously completed 12 months continuous full-time service with the Australian Defence Force (ADF). You can contribute to ADF Super through your clearing house, but you should include their existing ADF Super membership number.

## Starting salaries and contributions

When a new employee joins or rejoins one of our super schemes, you need to determine their super salary, employment status (full-time, part time or casual) and contribution rate. How you do this will depend on the fund they're joining and whether or not they're starting a new period of membership.

If your employee joins PSSap and their contributions are based on Ordinary Time Earnings (OTE), their contributions will be based on their earnings in the previous pay period. If their contributions are based on Fortnightly Contribution Salary (FCS), you need to check whether continuous service applies when they start with you.

ADF Super contributions are based on the employee's OTE in the previous pay period.

### Continuous service

Continuous service is where a period of membership in CSS, PSS or PSSap continues from one employer to the next. This normally happens when an employee has arranged their new employment before they resign from their previous employer. It also happens when new employment starts the day after the previous employment ceases, or when there is a gap of only one day (or longer).



If your employee arranged their employment with you before ceasing with their last contributing employer but has a gap of more than one month between jobs, or if you're unsure about whether continuous service should apply, get in touch so we can investigate for you.

If continuous service applies, your employee's super will be the same with you as it was at their previous employer. This means that CSS and PSS members will keep using the AGS number from their previous employer and PSSap members will continue to use their PSSap membership number.

Until their first salary review with you, your employee will have the same:

- super salary as at their previous employer
- CSS or PSS contribution rate as at their previous employer (unless they elect a different contribution rate with you), and
- full-time status or part-time hours as at their previous employer.

We can give you this information to start the membership, but you must get the full salary and super history from their previous employer to complete the next salary review.

## Transferring between employers

When an employee temporarily moves from one employer to another<sup>2</sup>, they will always have continuous service. This means that their super salary and full-time status or part-time hours will generally remain the same as at their home employer until their next salary review. They'll also continue at the same contribution rate unless they elect a different rate with you.

### Acting at a higher level at the new employer

If your employee is acting in a higher position than at their substantive employer, it's to be treated the same as a period of higher duties allowance. This means the higher salary won't be recognised for super purposes until your employee has received it for more than 12 months continuously, or you sign a likelihood certificate. At their first salary review with you, your employee's super salary will generally be the base salary plus recognised allowances in place at their home employer. You'll need to contact their home employer to find out what this is.

### Transferring at the same level

If the transfer is at level, but your employee's salary with you is higher than at their home employer, their super salary will stay the same until their next salary review. At the review their super salary will be updated to reflect the higher rate of pay.

If the transfer is at level but the salary with you is lower than at their home employer, their super salary will stay the same until their next salary review. At the review, you'll need to apply salary maintenance due to the reduction in salary when they transferred to you.

### New memberships

In CSS, PSS and PSSap (if using FCS), your employee will start a new period of membership if continuous service doesn't apply. This means their starting salary will be their base salary plus any automatic allowances they're receiving on their first day. Their hours for super will be their fortnightly contracted hours on their first day.

In CSS and PSS, if your employee doesn't elect a contribution rate they default to 5% contributions until they make an election.

You always need to give a new AGS number to employees at the start of each new period of CSS or PSS membership.



There can never be continuous service if memberships are concurrent – if your employee is still contributing to CSS or PSS through another employer, you need to start a new period of membership for them.

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<sup>2</sup> For example, under section 26 of the *Public Service Act 1999*.

## Information and forms for new employees

Whether your employee is a member of CSS, PSS, PSSap or ADF Super, direct them to our website where they can find information about how our schemes work and access important documents like the relevant product disclosure statement (PDS). If they log into their member services online account, they can estimate their potential super benefits and PSSap and ADF Super members can find out more about their insurance cover.

### Re-joining CSS members

Re-joining CSS members who are non-ongoing full-time employees, statutory office holders or employed under the Members of Parliament (Staff) Act 1984, who want to re-join CSS, must elect to become an eligible employee of CSS by completing the **Application to become an eligible employee of CSS (S20) form**.

### Re-joining PSS members

#### Confidential Medical and Personal Statement (CMAPS) form

You must tell all re-joining PSS members who don't have continuous service to complete the **CMAPS form** available on our website.

If your employee doesn't get their CMAPS form back **to us within 14 days** of re-joining PSS, they will automatically be a limited benefits member (LBM). If we receive the form within 14 days, we may still determine that the employee is a LBM because they aren't of sufficiently sound health to carry out all the duties of their position without taking excessive sick leave in the first three years of their membership.

If a LBM claims invalidity benefits or if their dependents claim death benefits in the first three years of membership, the benefit won't include any prospective service. LBMs are not eligible for pre-assessment payments (PAPs) or a partial invalidity pension (PIP)

### Non-ongoing employees, casuals and statutory office holders

New employees on non-ongoing or casual contracts and all statutory office holders who want to re-join PSS must elect to become a PSS member by completing the **election to become a member (SE4) form**. It's not enough to complete the standard super choice form available from the ATO.

#### Any questions?

Our Employer Service Desk is always happy to help answer any questions. Call **1300 338 240** or email **employer.service@csc.gov.au** to get in touch.

We offer super training for participating employers at no additional cost. For more information, check out our **website** or email **employer.training@csc.gov.au**.

If your employees have any questions about their super, they should contact:

- PSSap: **1300 725 171** or **members@pssap.com.au**
- PSS: **1300 000 377** or **members@pss.gov.au**
- CSS: **1300 000 277** or **members@css.gov.au**

