





## ‘Continuous’

Continuity is not broken where an allowance requiring a certificate is payable immediately before and after a period of leave during which the allowance is not payable (or payable at a lesser rate). The period of leave will, however, not count towards the 12 month period for the recognition of the allowance. If the allowance continues to be payable during the period of leave the question of breaking continuity does not arise and that period of leave during which the allowance was payable will count towards the twelve month period.

If an allowance ceases to be payable or there is a break in continuity (with the exception of the circumstances set out above) and subsequently the allowance again becomes payable, it is necessary for the criteria for recognition to again be satisfied. A further certificate must be given before the allowance can again be recognised as salary for the purposes of the Act, if the member has elected to reduce. Even if the member has not elected to reduce, the criteria must be satisfied again before any higher level of the allowance e.g. the next increment, can be recognised.

## ‘Effective’

A certificate is effective, in determining the rate of contribution on each anniversary and in determining final annual rate of salary on retirement or death. After the allowance ceases to be payable, the member continues to pay contributions on the allowance, as varied from time to time, until one of the following occurs:

- an election is made by the contributor to reduce salary for superannuation purposes under Section 47 of the Act such member should be formally advised of the effect of such an election on benefits;

or

- the member’s actual salary for superannuation exceeds the updated salary.

A certificate is not effective on a date before the allowance commenced to be payable.

In the case of age, involuntary or voluntary early retirement, a certificate is only effective if the contributor has been in receipt of the allowance continuously for 12 months and one day at the date of retirement notwithstanding that they may have paid contributions based on the allowance. A Certificate based on **‘likelihood’** will only increase benefit salaries in cases of death or invalidity retirement.

## ‘Reductions’

Members whose actual salary drops below their contribution salary may elect to reduce either or both their:

- contribution rate—but only to the required minimum of 5 percent of superannuation salary,

or

- contribution salary to a level reflecting their actual salary payment,

by completing the appropriate election on form ***S8—Election to vary contribution rate or for a decreased salary to apply as salary for superannuation.***

Members contemplating an election to decrease their salary for superannuation purposes should be formally counselled on the immediate impact such an election will have on their benefit entitlements.

## How can I get more information?



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