



# Employer quickguide – CSS and PSS

## How to complete departmental reports for PSS and CSS members (including salary for superannuation for benefit purposes)

- You **MUST** ensure that you provide the member with the correct scheme Benefit application form.
- If membership ceases prior to age 55 it is a resignation unless the member is retrenched or invalidity retired.
- If membership ceases the day before the member's 55<sup>th</sup> birthday or any time after their 55<sup>th</sup> birthday it is age retirement unless the member is retrenched or invalidity retired.
- If membership ceases in the CSS due to taking up employment as temporary part-time or casual under transition to retirement provisions, the member should complete the relevant Benefit application form. Refer to the **Transition to Retirement Quick** guide for more information.
- There are also particular benefit application forms for cessation of membership due to the sale, transfer or outsourcing of an organisation.
- If a member dies refer to the What to do in the case of a contributing member's death quick guide.
- All benefit applications must be accompanied with superannuation salary details and any other documentation requested on the departmental report.



Commonwealth  
Superannuation  
Corporation

The information provided in this form is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial advisor. You should obtain a copy of the relevant Product Disclosure Statement (PDS) and consider its contents before making any decision regarding your super.

Commonwealth Superannuation Corporation (CSC) ABN: 48 882 817 243, AFSL: 238069, RSEL: L0001397

Defence Force  
Retirement and Death  
Benefits Scheme  
ABN: 39 798 362 763

Australian Defence  
Force Superannuation  
ABN: 90 302 247 344  
RSE: R1077063

Commonwealth  
Superannuation Scheme  
ABN: 19 415 776 361  
RSE: R1004649

Public Sector  
Superannuation  
accumulation plan  
ABN: 65 127 917 725  
RSE: R1004601

Military Superannuation  
and Benefits Scheme  
ABN: 50 925 523 120  
RSE: R1000306

Australian Defence  
Force Cover  
ABN: 64 250 674 722

Public Sector  
Superannuation Scheme  
ABN: 74 172 177 893  
RSE: R1004595

1922 Scheme  
DFRB Scheme  
PNG Scheme  
DFSPB  
CSC retirement income

This Quick guide provides instructions and examples on how to complete the following sections of the Departmental report.

- Completing the last three variations
- Salary for Superannuation Purposes
  - Salary for Superannuation Benefit Purposes
  - Salary for Contribution Purpose
  - Salary for Superannuation Benefit Purposes at 1 July 1999

## Completing the last three variations

### Last three superannuation variations

This table advises the last three paydays that contributions were changed i.e. birthday, % rate change, LWOP or cessation.

- The last line must be the actual payday that contributions ceased to be paid. This is usually the first payday after the cease date but can be any payday.
- The previous two lines are for the prior two paydays when contributions were varied or adjusted.

Payday of adjustment	Old perm. conts	New perm. conts	Current adjustment	Plus/ minus
		NIL		

### Example one

A member resigned on 23 April 2007 (the day before payday 24 April).

Contributions were paid on 24 April and were ceased on payday 8 May. No further adjustments were made after payday 8 May. The last two prior adjustments were for the member's birthday adjustment on payday 26 Sep 2006 and when the member elected to change their % rate on payday 13 February 2007.

Payday of adjustment	Old perm. conts	New perm. conts	Current adjustment	Plus/ minus
20/9/06	\$86.60	\$92.30		
13/2/07	\$92.30	\$147.70		
8/5/07	\$147.70	NIL		

### Example two

Contributions were ceased on payday 8 May and a minus current adjustment was processed to recover the contribution paid on 24 April.

**You must advise this action on the last line. You must not advise that contributions went to NIL on payday 24 April 2007.**

Payday of adjustment	Old perm. conts	New perm. conts	Current adjustment	Plus/ minus
20/9/06	\$86.60	\$92.30		
13/2/07	\$92.30	\$147.70		
8/5/07	\$147.70	NIL	\$147.70	minus

### Example three

A member commenced leave without pay (LWOP) on payday 26 September 2006, contributions ceased on payday 10 October 2006 and the member resigned with effect COB 24 April 2007. The previous two adjustments were birthday adjustments in April 2006 & April 2005.

Payday of adjustment	Old perm. conts	New perm. conts	Current adjustment	Plus/ minus
26/4/05	\$80.80	\$86.60		
25/4/06	\$86.60	\$92.30		
10/10/06	\$92.30	NIL		

### Example four

A member ceased on 1 February 2007, however contributions were not ceased until 26 April 2007. A minus current adjustment for paydays 13/2, 27/2, 12/3, 26/3 and 10/4 was also processed on 26 April.

Payday of adjustment	Old perm. conts	New perm. conts	Current adjustment	Plus/ minus
26/4/05	\$80.80	\$86.60		
25/4/06	\$86.60	\$92.30		
26/4/07	\$92.30	NIL	\$461.50	minus

### Example five

A member ceased on 1 February 2007. Contributions were ceased on payday 13 February 2007. A minus current adjustment was made on payday 26/3 for the amount of \$300.

**In this case you must advise us of the current adjustment by adding your own line under the table or on an attached letter with the benefit application.**

In Example five you would need to write, underneath the table, A minus current adjustment of \$300 was processed on 26/3/07'.

Payday of adjustment	Old perm. conts	New perm. conts	Current adjustment	Plus/ minus
26/4/05	\$80.80	\$86.60		
25/4/06	\$86.60	\$92.30		
13/2/07	\$92.30	NIL		

#### NOTE:

- The above examples are exactly the same for plus current adjustments.
- No plus or minus adjustments may be made on behalf of a member after this report has been completed and sent to us.

## Salary for superannuation benefit purposes

- Some benefits are calculated on the member's salary for superannuation at date of exit. For example, a CSS age retirement, invalidity or retrenchment pension. A member's salary for super on the last day of service is also used when calculating the member's final average salary for a PSS retrenchment.
- To provide us with the correct salary for superannuation benefit purposes, you must treat the last day of service as if it was the member's birthday. You must calculate the salary for super at the date of exit to determine the highest salary for superannuation purposes since the last birthday review.
- The member may have received an increase in actual salary due to a promotion, an increment or progression to another level, or an increase in salary due to a certified agreement or new AWA. Example one.
- The member may have qualified for higher duties, or another allowance, since their last birthday review. Example two.
- The member may have incurred a salary reduction between the previous birthday and the date of exit. Example three.
- The member may have had an AWOTE updated salary for super at the previous birthday due to a salary reduction. Example four.

### Example one

A member is paying contributions on \$50,000 as this was his salary for superannuation at his birthday on 10 September 2006. Since that birthday he has received a salary increase of \$4,000. On his date of exit 1 April 2007 his actual salary is \$54,000. Therefore you would advise us that his salary for superannuation benefit purposes at 1 April 2007 is \$54,000.

Salary for superannuation benefit purposes at date of exit:  <b>Note:</b> This is the member's salary for superannuation benefit purposes at the date of exit. This can be greater than the salary for superannuation contribution purposes at the last birthday	<b>Salary for superannuation benefit purposes at date of exit</b>  <b>\$54,000.00</b>
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### Example two

A member is on higher duties which did not qualify for superannuation purposes at their last birthday. Salary for superannuation at the last birthday was \$40,000. Between the last birthday and the date of exit the member completed over 12 months higher duties and therefore the allowance of \$8,000 qualified as salary for superannuation purposes. Due to a certified agreement in the agency, the member's salary, including higher duties, was increased to \$48,960. Therefore, this would be his salary for superannuation benefit purposes at date of exit.

Salary for superannuation benefit purposes at date of exit:  <b>Note:</b> This is the member's salary for superannuation benefit purposes at the date of exit. This can be greater than the salary for superannuation contribution purposes at the last birthday	<b>Salary for superannuation benefit purposes at date of exit</b>  <b>\$48,960.00</b>
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### Example three

A member was on higher duties which did not qualify for superannuation purposes at their last birthday. Salary for superannuation at the last birthday was \$40,000. After the last birthday the member completed over 12 months higher duties and therefore the allowance of \$8,000 qualified as salary for superannuation purposes. However, the member then ceased higher duties prior to their cease date and reverted back to an actual salary of \$40,000. As this was a salary reduction for superannuation purposes you must update the pre-reduction salary of \$48,000 by the salary reduction rules. The higher of the actual salary or AWOTE salary will be the salary for superannuation benefit purposes at date of exit, refer to the Salary reductions Quick guide.

In this example the actual salary of \$48,000 is lower than the AWOTE calculated salary of \$49,500, therefore the salary for superannuation benefit purposes is \$49,500.

Salary for superannuation benefit purposes at date of exit:  <b>Note:</b> This is the member's salary for superannuation benefit purposes at the date of exit. This can be greater than the salary for superannuation contribution purposes at the last birthday	<b>Salary for superannuation benefit purposes at date of exit</b>  <b>\$49,500.00</b>
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### Example four

A member incurred a salary reduction prior to their last birthday and therefore an AWOTE salary was applied at the last birthday. Salary for superannuation at the last birthday was \$40,000. You must therefore apply the AWOTE salary reduction rules at date of exit to determine the correct exit salary. If the updated AWOTE salary was, for example, \$43,000, this would be the salary for superannuation benefit purposes at date of exit provided the \$43,000 is still higher than the actual salary being received. If the actual salary was \$43,500 this would be the salary for super at date of exit, refer Salary reductions Quick guide.

Salary for superannuation benefit purposes at date of exit:  <b>Note:</b> This is the member's salary for superannuation benefit purposes at the date of exit. This can be greater than the salary for superannuation contribution purposes at the last birthday	<b>Salary for superannuation benefit purposes at date of exit</b>  \$43,000.00 or actual salary if higher
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## Salary for superannuation contribution purposes

- A PSS benefit is calculated using a member's Final Average Salary (FAS). The FAS is generally the average of the member's last three birthday salaries. The salary for contribution purposes is used to check that we have the correct salary for super recorded on the member's record for the last birthday review.

### Example one

A PSS member is paying his contributions on a salary of \$50,000 which was also his superannuation salary on his last birthday on 1 April 2007. He is ceasing membership on 5 April 2007 and his salary on that day will be \$54,000. In these cases, as there has not been a payday between the birthday and the date of exit, you will not have applied the birthday salary to the payroll system prior to his exit. Therefore, you report the salary that he would have paid contributions on if you had processed the birthday review.

Salary for superannuation contribution purposes on the birthday before retirement.  <b>Note:</b> If the member is retiring on the day before his or her birthday, the salary shown should be the salary for superannuation contribution purposes that would have applied on that birthday.	<b>Salary for superannuation contribution purposes on the last birthday before retirement</b>  \$45,000.00
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### Example two

A PSS member is paying contributions on a salary of \$50,000. He is ceasing membership on 20 April 2007 and has a salary for superannuation purposes on that day of \$54,000. His birthday is on 21 April 2007. Therefore, the salary to be reported on the departmental report is \$54,000.

### NOTE

If the member is leaving the day before their birthday, they are regarded as having attained that age. Therefore the new birthday salary is taken into account when processing the benefit regardless of the fact that the member has never paid contributions on that salary. You must advise the salary that you would have reported to us as their birthday salary if they had remained a member.

Salary for superannuation contribution purposes on the birthday before retirement. <b>Note:</b> If the member is retiring on the day before his or her birthday, the salary shown should be the salary for superannuation contribution purposes that would have applied on that birthday.	<b>Salary for superannuation contribution purposes on the last birthday before retirement</b>  \$54,000.00
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### Example three

At the payday following a member's birthday, we were advised through the payroll system that the superannuation birthday salary was \$50,000. On processing the employees' final payments, personnel realised that the member had qualified for higher duties to be included in their salary for super prior to the member's last birthday. The correct salary which should have been reported at the member's birthday was \$56,000.

**If the previous birthday salary advised to us was not correct, please advise the correct salary that should have applied at the previous birthday even if the member has not paid contributions on it.**

Salary for superannuation contribution purposes on the birthday before retirement. <b>Note:</b> If the member is retiring on the day before his or her birthday, the salary shown should be the salary for superannuation contribution purposes that would have applied on that birthday.	<b>Salary for superannuation contribution purposes on the last birthday before retirement</b>  \$56,000.00
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In these cases it would be advisable to attach a note to advise us why the salary reported on the departmental report is different to what the member is paying contributions on and the salary advised for the previous birthday review.

## Salary for superannuation benefit purposes at 1 July 1999

- There are a number of situations where a member's cash lump sum is limited to their SIS upper limit. A member's SIS upper limit, as defined in the Superannuation Industry (Supervision) Regulations (SIS), is the cash amount a member would have received if they had been retrenched on 1 July 1999.
- We require the member's superannuation salary as at 1 July 1999 to determine the correct Final Average Salary (FAS) at that date to calculate the cash amount a member can be paid under the regulations.
- This salary may be higher than the salary the member was actually paying contributions on at 1 July 1999. Therefore, you should treat 1 July 1999 as if it was the member's birthday and determine what the salary for super would have been on that date.

### Example

At a member's birthday on 2 February 1999 their salary for super was \$40,000. On 10 March 1999 a certified agreement increased this salary to \$41,800. On 14 June 1999, due to an increment or progression through the salary range, the member received an increase in salary to \$43,400. Therefore the member's salary for superannuation benefit purposes on 1 July 1999 was \$43,400.

Salary for superannuation benefit purposes at 1 July 1999.	<b>Salary for Superannuation Benefit Purposes at 1 July 1999</b> \$43,400.00
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Please remember to call Employer Services on **1300 338 240** if in doubt.



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