



Employer quick guide

Applying for and paying CSS and PSS pre-assessment payments

About this guide

Under the *Superannuation Act 1976* and the *Superannuation Act 1990*, customers of CSS or PSS may be eligible to receive pre-assessment payments (PAPs) if there is a real likelihood that they will be totally and permanently incapacitated (TPI). CSC will determine whether our customer is eligible to receive PAPs, as well as the date PAPs are payable from and the fortnightly amount.

This guide aims to provide you with general information about PAPs as they relate to your employees who are customers of CSS and PSS. This guide also aims to assist you in gathering evidence for our consideration so that we can determine whether your employee is entitled to PAPs. You will also gain an understanding of how we calculate the amount payable so you can correctly pay your employee.

General information about PAPs

PAPs are similar to income maintenance and are payable during the invalidity retirement process if a customer is found eligible and is not on compensation leave. PAPs will cease to be payable when we notify you and your employee of whether we have approved their invalidity retirement. We will issue an invalidity retirement certificate (IRC) to you if we determine that your employee is TPI. PAPs are not deducted from any invalidity benefit which might become payable after the PAP payment period to your employee upon medical retirement, nor do they have to be repaid if an application for an IRC is unsuccessful.

Eligibility

For CSS and PSS, PAPs are not payable:

- until your employee has been off work for at least 28 consecutive days
- while your employee has sick leave credits during the first six months of being off work
- while your employee is on compensation leave, or
- to limited benefits members (just for PSS).

If none of the above apply, your employee will be eligible for PAPs if we are satisfied that there is a real likelihood that they are, or will become, TPI. We rely on a report from an independent medical examiner, who is also one of our approved medical practitioners (AMPs), dated within six months of your application to determine if there is a real likelihood of TPI. This report must address the **CSS and PSS doctor's report checklist for invalidity retirement** found on our website. Our decision to commence PAPs has no influence on any future decision we make regarding whether or not to issue an IRC.



Totally and permanently incapacitated

We must be satisfied that there is a real likelihood your employee is, or will be, TPI before granting PAPs.

The definitions of TPI can be found in section 54B of the *Superannuation Act 1976* and Rule 1.2.1 of the PSS Trust Deed. The definitions are as follows:

Section 54B – a person is totally and permanently incapacitated if, because of a mental or physical condition, it is unlikely that the person will ever be able to work in any employment or hold any office for which the person:

- (a) is reasonably qualified by education, training or experience; or
- (b) could become reasonably qualified after retraining.

Rule 1.2.1 – totally and permanently incapacitated means that, because of a physical or mental condition, the person is unlikely ever to work again in a job for which he/she:

- is reasonably qualified by education, training or experience; or
- could be so qualified after retraining.

TPI means more than just unfit to perform the duties of the position. To determine if TPI is applicable we look holistically at an employee's capacity for work. We will therefore assess your employee's capacity to work in their current position, or in any other employment-including within another department/organisation or private sector.

Notification of decision

Once we have decided whether your employee is eligible for PAPs, we will advise you and your employee of the outcome in writing. If PAPs are approved, we will also provide you with the dates of when to commence PAPs, the fortnightly amount of PAP to be paid, and information about claiming reimbursement for PAPs paid.

Commencement and amount payable

Below is information about how we pay PAPs.

Time period	Description
(a) in the first six months from the date of continuous leave because of a serious medical condition	<ul style="list-style-type: none">i) no payment of PAPs while your employee is on paid sick leave, whether at full or half pay ratesii) once sick leave credits have been exhausted, the amount of PAPs is equal to 50% of the superannuation salary on the date continuous leave for a serious medical condition commenced You need to deduct super contributions and additional death and invalidity cover (ADIC) premiums from the PAP, as well as any partial invalidity pension (PIP) or unrelated compensation amounts.
(b) in the second six months from the date of continuous leave because of a serious medical condition – the greater of:	<ul style="list-style-type: none">i) the maximum invalidity pension that would have been payable if your employee retired on invalidity grounds six months after commencing continuous leave orii) the 50% rate as calculated in (a)(ii). You need to deduct any paid sick leave accruals, super contributions and ADIC premiums from the PAP, as well as PIP and unrelated compensation amounts.

It is important to note:

- if your employee has been off work for less than six months, all sick leave credits must be exhausted before commencing PAPs
- for partial invalidity pension recipients, the superannuation salary used for the purposes of the PAP calculation is the superannuation salary that would be in place if your employee had not reduced their hours and/or level for medical reasons.

Cessation

PAPs cease on the contribution day we specify that is after the earliest of:

- a) the date we notify you about our decision on an application for invalidity retirement;
- b) the date our member returns to work;
- c) the date our member ceases membership, e.g. if their employment ceases by any method, or if they die; or
- d) the date your employee fails to commence or continue a rehabilitation program or undergo a medical examination without good and sufficient reason when instructed to by us.

You should notify us immediately where (b) or (c) applies and cease PAPs on the contribution day we specify that is after the earliest of any of those dates. We will advise you in cases where PAPs are to cease in relation to (a) or (d) and will specify the contribution day to cease the PAPs.

Other paid leave

Leave that isn't sick or compensation leave doesn't impact an entitlement to a PAP. CSS and PSS legislation doesn't require you to re-credit other leave taken - it's up to you to decide how those periods of leave will be treated once a PAP is approved.

Compensation leave

If your employee is currently on compensation leave, they will not be entitled to PAPs. However if they are receiving compensation for a condition that is not causing them to be TPI, they may be eligible for PAPs. If your employee is approved for PAPs in this instance, the amount of compensation is deducted from the PAPs. You should provide us with a copy of the letter from the compensation provider which specifies the condition that your employee is being compensated for when seeking PAPs.

If your employee is not on compensation leave when PAPs are granted and paid, but a compensation claim is later accepted, any periods that overlap will be recoverable.

Documents required

The following documents must be provided to us when applying for PAPs. Once all documents have been gathered, send your application to formsandapplications@csc.gov.au or via post to **GPO Box 2252 Canberra ACT 2601**.

Covering letter

The covering letter should include a brief summary of your department's management of your employee's medical situation and your department's position on the case. The covering letter should also highlight key points of the case and any aspects of the situation that will not be covered by other evidence within the application.

Medical reports

At a minimum, you must provide us with a report from an AMP. A list of AMPs can be found on our website, csc.gov.au/employers

When scheduling an AMP appointment, it's important that you choose an appropriate specialist with respect to your employee's medical condition/s. It is also important that the report addresses the questions on the **CSS and PSS doctor's report checklist for invalidity retirement** found on our website, with the most important question relating to the likelihood that the employee is, or will become, TPI.

It will assist our assessment greatly if your application includes any earlier medical reports and any reports from any pre-application strategies attempted. This background information will help us to better understand the progression of your employee's medical condition/s. Any documents you provide as part of your PAP application will be considered when your application for an IRC is later submitted.

Leave history

Leave records should be provided for at least the period of time that your employee has been on continuous leave because of their medical condition/s.

Reimbursing

PAPs are paid by you as the employer of our CSS or PSS customer, until their entitlement to PAPs ceases. Once the entitlement has ceased, you can seek reimbursement from us for PAPs you have paid. Your request must include the appropriate reimbursement claim form and an invoice.

Reimbursement claim form

The reimbursement claim form is a calculator that can be found on our **website**. The calculator requires you to input the fortnightly rate of PAPs which we advise you of when PAPs are granted, and the dates that PAPs were commenced and ceased. If any sick leave was paid during the period of PAPs, the calculator will assist in notifying us of that appropriately. If you have paid a different amount to what has been produced by the calculator, we will recover any overpayments.

Invoice

After you have calculated the amount of PAPs paid to your employee, you will need to generate an invoice matching the amount. Ensure that your invoice includes your employee's details and is on your agency's letterhead. If you are a shared service payroll provider, the invoice must be on the letterhead of the employing agency. The invoice must be addressed to CSC.

Timing of reimbursements

Requests for reimbursement of PAPs paid should be made once your employee has stopped work. This is because we use your departmental report to establish your employee's date of exit. If PAPs end some time before your employee's date of exit, you may seek reimbursement before their date of exit provided this is made clear in your email when seeking reimbursement. If your employee is on PAPs continually for a period of more than six months, you may seek reimbursement at six-monthly intervals.

Submitting your reimbursement

When you have completed the calculation and produced an invoice, send the documents to **employer.service@csc.gov.au** for processing.

ACT Government arrangements

The ACT Government has a cost-sharing arrangement with the Commonwealth Government regarding CSS and PSS benefits, including the payment of PAPs. Under this arrangement, the ACT Government is required to meet the costs arising from CSS and PSS superannuation memberships from 1 July 1989. Therefore, we do not reimburse PAPs to ACT Government Departments.

We're here to help



If you have any questions about PAPs, you can get in touch with us via the details below.

Phone: 1300 338 240

Fax: (02) 6275 7010

Email: employer.service@csc.gov.au



Email

employer.service@csc.gov.au



Phone

1300 338 240



Fax

(02) 6275 7010



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