



Employer quick guide – PSS

Contributions in Arrears

[Part 9 Section 39 of the *Superannuation Act 1990*]

Occasionally, members may pay less contributions than they should.

Members must pay member contributions at their nominated percentage rate of their salary for super. If contributions are short paid, the Trustee has the power to take recovery action.

[Part 9 Section 39 of the *Superannuation Act 1990*.]

You should ensure that any instances of short paid contributions are quickly rectified to minimise any potential loss of earnings.

We will notify you when a problem exists. As the member records we keep are based on information provided by you, it is very important that all the information you submit is correct.

You should always check information from us carefully to verify that contributions are in fact incorrect. It may be that you have simply forgotten to provide information such as part-time hours or the correct salary for super.

Although you will not be contacted in **all** arrears situations, you will be notified where there is an ongoing short payment. Arrears of member contributions are also shown on the member's annual information statement which advises them to contact their personnel section.

You must notify the member of any arrears in member contributions so that recovery action can be arranged and also ensure the member is aware that arrears may have repercussions on any future benefit.

The arrears should be deducted from the member's pay within 13 paydays (in addition to normal contributions).

If this arrangement will cause the member financial hardship, an application for payment over an extended period should be forwarded to employer.service@admin.csc.gov.au for consideration. This should give reasons for the request and nominate a reasonable fortnightly recovery rate. A covering note and recommendation from the personnel officer should also accompany the application.



Commonwealth
Superannuation
Corporation

Recovery of the arrears at the rate nominated by the member should commence immediately pending resolution of the application by us.

Where, due to employer error, member contributions were not commenced when payable, a member may lodge an election to vary the contribution rate from commencement of the arrears to reduce the amount payable. This rule only applies where the productivity contributions were also not paid.

Before a member elects to reduce their contribution rate in this circumstance you should notify the member in writing of the implications such an election may have on their future benefit. Members cannot elect not to pay member contributions.

[PSS Rule 4.1.8]

In all circumstances, arrears of productivity (EPSC) should be paid as soon as possible. Productivity contributions must be paid fortnightly on every payday that the member is due to contribute. If this does not occur, penalty interest may be applied.

[Part 4 Section 15(4) of the *Superannuation Act 1990*]



Email
employer.service@csc.gov.au



Phone
1300 338 240



Fax
(02) 6275 7010



Post
Employer Service
GPO Box 2252
Canberra ACT 2601



Web
csc.gov.au



Overseas Callers
+61 2 6275 7000