



PAYG payment summaries

From 1 July 2017, the way capped defined benefit income streams were taxed changed. What this means is, in most cases, we are unable to provide the value of the 10% tax offset on your PAYG payment summary.

What you need to do

You will now need to calculate your 10% tax offset entitlement as part of lodging your income tax return.

MyTax

If you are using MyTax, the ATO should have automatically filled in some information on your tax return using the information provided by your super fund(s). There will be an option to calculate and save the amount of your defined benefit income cap, the values of each component of your super pension, and your entitlement to the 10% tax offset.

Paper tax return

If you are completing a paper tax return, you can calculate your 10% tax offset amount using the ATO's 'defined benefit income cap' calculator available at: ato.gov.au/calculators-and-tools/defined-benefit-income-cap-tool/

*If you have already completed your tax return and believe you did not include your 10% tax offset, you may want to contact your tax agent or amend your return.

Who should read this?

Any member who is receiving a pension from CSS, PSS, MilitarySuper, DFRDB, ADF Cover, DFRB, 1922 or PNG. These pensions are classed as 'capped defined benefit income streams'.

What is the defined benefit income cap?

From 1 July 2017, a limit has applied to the total amount of super you can transfer to a tax-free account-based pension. This is the Defined benefit income cap.

Any income you receive over the cap may be partially taxed, even if that income was previously non-taxable.

The information provided in this factsheet 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

Will your payments change?

No, we will still continue to apply the 10% tax offset to your fortnightly pension payments unless you have instructed us not to.

In some circumstances, we can still provide the 10% tax offset on your PAYG payment summary

We are able to provide the tax offset amount on your PAYG payment summary for any taxable taxed payments that were made to you while you were under the age of 60 and that were eligible for the 15% offset.

For any taxable untaxed payments received from age 60 and above, or if you are under 60 but receiving a reversionary pension following the death of a member aged 60 or over at the time of their death, the value of the 10% tax offset on your PAYG payment summary will not be displayed.

If you turn 60 in the financial year you will receive two PAYG payment summaries, one for payments received prior to your 60th birthday, and one for payments received after.

In more detail...

With the introduction of the \$1.6 million transfer balance cap, and the defined benefit income cap, the tax on your capped defined benefit income stream will have changed if the total income from your income streams (e.g. pension) is more than your defined benefit income cap for the financial year, and you are:

- 60 years of age or older; or
- under 60 and receiving a death benefit income stream where the deceased was 60 or over at the time of their death.

Generally, your defined benefit income cap will be \$100,000. This may be reduced in some circumstances—including if you turn 60 during the year, or you were over 60 and started to receive income from a capped defined benefit income stream for the first time during that financial year.

If your income from all of your capped defined benefit income streams exceeds your defined benefit income cap then you may:

- need to include more of your pension income in your assessable income; and/or
- have a reduced entitlement to the 10% tax offset.

There is further information available on the ATO website in the below links:

To calculate your tax offset:

- ato.gov.au/Individuals/Tax-return/2018/Tax-return/Tax-offset-questions-T1-T2/T2-Australian-superannuation-income-stream-2018/
- ato.gov.au/calculators-and-tools/defined-benefit-income-cap-tool/

To amend a tax return:

- [ato.gov.au/general/correct-a-mistake-or-amend-a-return/correct-\(amend\)-an-income-tax-return/](https://ato.gov.au/general/correct-a-mistake-or-amend-a-return/correct-(amend)-an-income-tax-return/)



Where can I get more information?



Commonwealth Superannuation Scheme

EMAIL pensions@css.gov.au
PHONE 1300 001 777
FAX (02) 6275 7010
MAIL CSS
GPO Box 2252,
Canberra ACT 2601
WEB csc.gov.au



Public Sector Superannuation Scheme

EMAIL pensions@pss.gov.au
PHONE 1300 001 777
FAX (02) 6275 7010
MAIL PSS
GPO Box 2252,
Canberra ACT 2601
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1922 PNG

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Defence Force Retirement & Death Benefits Scheme

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Military Superannuation & Benefits Scheme

EMAIL pensions@enq.militarysuper.gov.au
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