# PSSap ancillary membership

## Background

Some super contributions can't be made to CSS or PSS. Instead, they can be paid to a PSSap ancillary account and claimed as an additional lump sum or paid through an account based pension like CSCri.

## This factsheet is for...

Contributing CSS or PSS members who want to make super contributions in addition to the member contributions required by their scheme.

## What's in this factsheet?



Joining PSSap as an ancillary member won't impact your CSS or PSS membership or final benefit calculation. You'll be a member of two super schemes, and your final PSSap ancillary benefit will be separate to your CSS or PSS benefit.

CSC — CSS — PSS — PSSap



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

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

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

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

## What is PSSap ancillary membership?

PSSap ancillary membership is a super account that complements your CSS or PSS membership. An ancillary account allows you to grow your super by making voluntary before- or after-tax contributions in addition to your fortnightly member contributions made to CSS or PSS.

PSSap ancillary accounts are accumulation accounts, so contributions accumulate and attract investment earnings according to the investment option you choose. When you claim, you can take your contributions as a one-off payment (lump sum), or purchase an account-based pension, such as CSCri (more about this at **csc.gov.au/cscri**). Your benefit will include your contributions plus investment earnings (which may be positive or negative), less any applicable tax. When you claim your benefit, it will be taxed at the same tax rates that apply to other super lump sum benefits. For more information about tax and your benefit, see our **Tax and your PSSap super Product Disclosure Statement** (PDS), available at **csc.gov.au/pds**, or visit the **Australian Taxation Office** (ATO) website.

## How do I join PSSap?

Joining PSSap is easy – if you're eligible, you can start contributing in 3 simple steps.

1. Before making any decisions, you should read the **PSSap PDS** and the **PSSap Financial Services Guide** at **csc.gov.au/join-pssap**.
2. To join, you'll just need to complete the **Apply to join PSSap as an Ancillary Member** form. This is available online at **csc.gov.au/join-pssap** or as a PDF at **csc.gov.au/forms**.
3. We'll tell you how you can set up your Member Services Online (MSO) account and start contributing yourself or via your employer.

Any financial product advice 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 PSSap Product Disclosure Statement (PDS) and consider its contents before making any decision regarding your super.

## What can I contribute to my PSSap ancillary account?

Ancillary contributions include a range of voluntary personal contributions, additional employer contributions, Government contributions and transfers from other super funds.

### Salary Sacrifice

Salary sacrifice contributions are voluntary contributions paid from your before-tax salary. Even though they're voluntary contributions paid from your own salary, salary sacrifice contributions are classed as employer contributions. However, unlike some employer contributions, salary sacrifice won't count towards the minimum amount your employer is required to pay into your super on your behalf. When we receive your salary sacrifice contributions, we'll deduct tax at the concessional rate of 15% and report the contributions against your concessional contributions cap (see *Contribution limits* below). Salary sacrifice is an arrangement between yourself and your employer, so you'll need to contact them to set it up.

If you're a CSS contributing member, you can also make 'supplementary contributions' into CSS. Please contact us for more information about this.

### Additional personal contributions

Additional personal contributions are voluntary contributions paid from your after-tax salary. As you have already paid tax on these amounts, we won't apply tax when they're received. These contributions count towards your non-concessional contributions cap (see *Contribution limits* below). You can arrange for your employer to pay additional contributions on your behalf, from your after-tax salary, or you can pay them yourself directly to PSSap by:

1. BPay – log into your PSSap MSO account, click on Contributions and follow the prompts to generate a Customer Reference Number (CRN). Once you have your CRN, log into your financial institution to make a payment.
2. Cheque – complete our **Voluntary contributions** form, and attach your cheque made payable to Public Sector Superannuation accumulation plan.

You may be eligible to claim a tax deduction for your additional personal contributions. Before you make a claim, you must provide us with a **Notice of intent to claim or vary a deduction for personal contributions** form (available from the **ATO** website), and receive acknowledgement from us that your form has been processed. For more information about claiming a tax deduction for personal contributions, you should visit the **ATO** website.

## Spouse contributions

Spouse contributions are contributions your spouse can make on your behalf. Any spouse contributions made on your behalf will belong to you. They will be payable to you as a lump sum – your spouse will have no right to the benefit, even if they cease to be your spouse. Spouse contributions are paid from after-tax salary, so we won't withhold tax when the money is received into PSSap.

A spouse includes a person:

- You are legally married to
- You are in a relationship with that is registered under certain state or territory laws (including registered same-sex relationships)
- Of the same or of a different sex, who lives with you on a genuine domestic basis in a relationship as a couple (known as a 'de facto spouse').

Because these contributions belong to you, only you can choose an investment option for these contributions (see *How are PSSap contributions invested?* below). Spouse contributions paid on your behalf will count towards your non-concessional contributions cap, not your spouse's (see *Contribution limits* below for an explanation of this cap).

If your spouse wants to make contributions on your behalf by:

1. BPay – log into your PSSap MSO account, click on Contributions and follow the prompts to generate a Customer Reference Number (CRN). Once you have your CRN, provide it to your spouse so they can log into their financial institution to make a payment.
2. Cheque – they can complete our **Voluntary contributions** form, and attach a cheque made payable to Public Sector Superannuation accumulation plan.

## Transfer amounts

These are transfers of some or all of your existing super benefits from one fund to another. Transfers can be accepted from:

- Other regulated super funds
- Approved Deposit Funds
- Retirement Savings Accounts and
- ATO – ATO-held super includes lost or unclaimed super and Government contributions such as co-contributions, low income super contributions (LISC) and low income super tax offsets (LISTO).

If tax has been applied to your transfer amount, we won't deduct any further tax. However, any previously untaxed portion of your transfer will be taxed at 15% on receipt. Here's how to arrange a transfer:

1. Log into your MyGov account and use the ATO online service (you'll need to make sure the ATO is linked to your account)
2. Contact your current fund to request a transfer to PSSap. You'll need to provide them with your member number and the following information about PSSap:

   **Scheme:** Public Sector Superannuation accumulation plan

   **USI:** 65127917725001

   **ABN:** 65 127 917 725
3. Transfers from self-managed super funds must be paid by cheque.
4. Complete the **Transfer your super to PSSap** form, available on our website.

You can also transfer certain amounts from PSS. While you can't transfer your defined benefit, you can transfer any Post-1995 transfer amounts or Government contributions to PSSap. To move these amounts from your PSS account, log into your PSS MSO or complete the **Transfers out** form, available on our website.

Once your transfer has been received and credited to your PSSap ancillary benefit, we'll send you written confirmation.

Before making any decision to transfer your super, you should consider the fees charged by both your existing and new fund, whether you'll have sufficient insurance in place after the transfer, the investment options available and performance of your funds.

## Government contributions

In certain circumstances, the Government may make additional contributions to your super. You don't need to apply for these contributions. If you're eligible, and we have your tax file number, they'll be paid into your super automatically. Regardless of where your Government contributions are paid, you can transfer them into your PSSap

**What if I leave eligible employment?**

Generally, you can only contribute to your PSSap ancillary benefit if you're a contributing CSS or PSS member. Government contributions relating to periods when you were a contributing member may still be accepted after your membership has ceased. You can still transfer super from other funds into your PSSap benefit.

If you defer your CSS benefit or preserve your PSS benefit, your PSSap ancillary benefit will continue to grow with fund earnings until you claim.

ancillary account at any time (see *Transfer amounts* above). There are 3 types of government contributions that may be paid into your PSSap ancillary account.

- Super co-contributions are payable to low or middle-income earners (the thresholds change each financial year) who make personal after-tax contributions to their super. The amount of government co-contribution you receive will depend on your income and the amount you contribute, and is subject to an annual cap.
- The low-income super tax offset (LISTO) is payable to individuals with an adjusted taxable income below the threshold set by the ATO. If you're eligible, you'll receive up to 15% of the total concessional (before-tax) super contributions that you make in a financial year, subject to an annual cap.
- The low income super contribution was a similar scheme to LISTO, but ceased from 1 July 2017 when LISTO was established.

For more information about Government contributions, including the current income thresholds and caps for these payments, please visit the **ATO** website.

### Contribution limits

Contributions paid into super – whether they're paid by you or someone else – are classed as either concessional or non-concessional for tax purposes. Both types of contributions are subject to annual caps, and penalties may be applied by the ATO if these caps are breached.

### Concessional contributions

These are contributions paid from a before-tax source and will usually have 15% contributions tax withheld on receipt. Examples include salary sacrifice and any other amounts paid by your employer from your before-tax income. There is a cap on the amount of concessional contributions you can make each financial year. Usually, if you exceed the cap, you'll pay tax on the excess contributions at your marginal rate. If you don't want to pay additional tax, you'll need to ensure your total concessional contributions paid to all of your super interests stay under the cap.

Your PSSap ancillary contributions won't count towards your PSS Maximum Benefit Limit (MBL). You can still contribute towards your PSSap ancillary benefit after you've reached your MBL. For more information about the MBL, please refer to our **PSS Maximum Benefit Limit** factsheet.

### Non-concessional contributions

These are contributions paid from an after-tax source. No tax will be withheld when they're received by the fund. Your mandatory fortnightly member contributions are non-concessional contributions. There is a cap on the amount of non-concessional contributions you can make each financial year. Generally, additional tax is payable on the excess contributions, so you'll need to keep the non-concessional contributions made to all of your super interests under the cap if you don't want to pay extra tax.

The contribution limits are complex. We encourage you to speak to a licenced financial advisor or accountant for advice about the management of your contributions limits across all your super interests. For more information about either of these contribution limits, including the annual caps, please visit the **ATO** website.

**Personal financial advice available to you**

Before you make a decision about making PSSap ancillary contributions, we recommend you seek professional advice from a licensed financial planner.

CSC's authorised financial planners* provide a personalised service that takes your objectives, financial situation and needs into account.

For more information about this service, or to book your first advice appointment, call **1300 277 777** or visit **csc.gov.au/advice**

## How are ancillary contributions invested?

Your PSSap ancillary benefit is valued in units. When contributions are paid into the fund, the money 'buys' a number of units and the value of each unit is known as the unit price. The value of your investment can change, depending on investment performance. The costs associated with buying and selling units are reflected in the unit price for each investment option. There are four investment options you can choose from. You can invest your current balance and future contributions in one or more of these:

- Cash
- Income Focused
- Balanced
- Aggressive

*Our authorised financial planners are authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367.). Guideway is a licensed financial services business providing CSC financial planners with support to provide members with specialist advice, education and strategies.

Each investment option has a different unit price that can change daily. When you claim your PSSap ancillary benefit, you'll effectively 'sell' your units at the applicable daily unit price.

You can switch investment options as many times as you like, but a $20 fee may apply if you switch more than twice in a financial year. You can do this by logging into your PSSap MSO account, or by submitting your completed **Investment choice** form, available on our website. We'll write to you and confirm that we've processed your investment switch.

**Note**: Your request to switch investment options must be received by 2.00 pm Canberra time to receive the unit price declared for that day. We usually publish unit prices for a given day on the next business day. The unit prices shown in MSO and on our website are not necessarily the rates that you'll receive as they are delayed by a day.

Investment returns may be positive or negative, so the value of your benefit may rise and fall. Therefore, it's possible that your benefit might be less than the amount you contributed, particularly over a shorter term.

For more information about investment options including asset allocation and risk, unit prices and switching, please read our **PSSap Investment options and risk** booklet, available at **csc.gov.au/pds**.

## Will I be charged fees?

Fees and charges may apply to your PSSap ancillary benefit, depending on the transactions you make. For more information about fees and charges, please see our **Fees and other costs** booklet at **csc.gov.au/pds**.

## When can I access my PSSap ancillary benefit?

Payment of your ancillary benefit is not directly related to payment of your CSS or PSS benefit. Even if you claim your defined benefit earlier, usually you can't claim your ancillary benefit until you reach your preservation age and have met a condition of release. You may be able to access all or part of your ancillary benefit earlier:

- if you become totally and permanently incapacitated
- on severe financial hardship grounds or
- on compassionate grounds.

Preservation age is based on your date of birth, as shown in the table below:

| Date of birth | Preservation age |
|---|---|
| Before 1 July 1960 | 55 |
| 1 July 1960 to 30 June 1961 | 56 |
| 1 July 1961 to 30 June 1962 | 57 |
| 1 July 1962 to 30 June 1963 | 58 |
| 1 July 1963 to 30 June 1964 | 59 |
| After 30 June 1964 | 60 |

In the event of your death, your ancillary benefit will be paid to:

- your eligible dependants
- your legal personal representative or
- if we cannot find a dependant or legal personal representative, we can pay to any individual we decide.

If you've made a valid binding nomination, your death benefit will be paid to the person or persons nominated.

Your ancillary benefit can also be rolled over at any time to another regulated super fund – including a self-managed super fund, retirement savings account or approved deposit fund. However, you won't be able to claim the benefit from that rollover institution until the benefit becomes payable under the rules of that fund. Generally, this is not until you have reached your preservation age and retired from the workforce.

# What else can I do with my ancillary membership?

### Contribution splitting

If your spouse meets certain eligibility criteria, you can split your contributions with them. Your spouse can also make contributions for you by rolling over a portion of their recently made contributions to your PSSap ancillary account. To be eligible for contribution splitting, whoever is 'receiving' the contributions must be:

- below preservation age; or
- between preservation age and 65 years, but not retired.

There are restrictions on when you or your spouse can apply to split contributions and the types of contributions that can be split. For more information, visit the **ATO** website.

### First Home Super Saver Scheme

If you're a first home buyer, you can save for your first home inside your super fund. You can make voluntary concessional (before-tax) and non-concessional (after-tax) contributions and then apply to have these contributions (and their earnings) released to help you purchase your first home. The contributions are subject to contributions caps, and your regular fortnightly member contributions that are mandated by CSS legislation and PSS rules are excluded.

You must meet criteria to be eligible for the scheme. There are limits on how much you can contribute and access. You can only apply for one release of your super funds for this purpose. For more information about the scheme, please refer to our **First Home Super Saver Scheme and Downsizer Contributions** factsheet.

### Downsizer contributions

Homeowners who are 65 or older can contribute the proceeds of selling their home into super. There are restrictions on the ownership and use of the property and a cap on the contributions that can be paid. You can only make downsizer contributions from the sale of one property. You may make more than one contribution as long as you do not exceed the cap. For more details, please refer to our **First Home Super Saver Scheme and Downsizer Contributions** factsheet.

Downsizer contributions do not count towards your contribution caps but they will count towards your total super balance and transfer balance cap. You should refer to the **Australian Taxation Office** for further information about these caps.

# Where can I get more information?


**CSS — Commonwealth Superannuation Scheme**

**EMAIL** members@css.gov.au
**PHONE** 1300 000 277
**FAX** (02) 6275 7010
**MAIL** CSS
GPO Box 2252,
Canberra ACT 2601
**WEB** csc.gov.au

**PSS — Public Sector Superannuation Scheme**

**EMAIL** members@pss.gov.au
**PHONE** 1300 000 377
**FAX** (02) 6275 7010
**MAIL** PSS
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Canberra ACT 2601
**WEB** csc.gov.au

**PSSap — Public Sector Superannuation accumulation plan**

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