



PSF09  
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# Preservation of benefits

## Who should read this?

Any member who is considering preserving their benefit in PSS following resignation, retirement, redundancy or by electing to leave PSS.

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## What you should know upfront

It is important that you read the disclaimer below. Before making any decisions, please read the **PSS Product Disclosure Statement (PDS)** and consider seeking advice from a licensed professional such as a financial planner, accountant or solicitor.

## Financial advice for your needs and goals

To help you achieve the best outcome for your superannuation and financial situation, consider obtaining personal advice for your needs and long-term goals from a qualified professional who understands your government super scheme and individual situation.

To make a personal advice service available to you, your super trustee, Commonwealth Superannuation Corporation, has partnered with experienced financial planners from Industry Fund Services. It is 'fee for service' advice, which means you receive a fixed quote upfront. There are no obligations, commissions or hidden fees.

To book today please call **1300 277 777** during business hours or visit [csc.gov.au/advice](http://csc.gov.au/advice) to learn more.

## Your Government Super at Work

Any financial product advice in this document 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 or needs. You may wish to consult a licensed financial advisor. You should obtain a copy of the PSS Product Disclosure Statement (PDS) and consider its contents before making any decision regarding your super.

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Trustee of the Public Sector Superannuation Scheme (PSS) ABN: 74 172 177 893 RSE: R1004595  
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## What is preservation?

Preservation in relation to your PSS benefit means that, rather than withdrawing your benefit from PSS, you elect (or are required) to leave all of your benefits preserved in PSS for payment at a later date.

## What is the SIS upper limit?

The Superannuation Industry (Supervision) (SIS) Regulations introduced a number of changes from 1 July 1999. One of these changes relates to the amount of the lump sum that you can access before reaching preservation age (see **Table 1: Preservation ages** on page 2).

The SIS upper limit is the amount you could have taken as a lump sum had you received a redundancy on 30 June 1999. Any lump sum benefit we pay you before you reach preservation age and permanently retire from the workforce cannot exceed your SIS upper limit. You will need to pay any balance that exceeds your SIS upper limit into a rollover fund.

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

## Preserving upon resignation

If you resign before minimum retirement age (usually 55) you must\* preserve some or all of your benefit. If you have a SIS upper limit, you can access your member component up to this amount and preserve the balance. If you do not have a SIS upper limit, the entire benefit will need to be preserved.

Once preserved, your member and productivity components will continue to grow at the Fund earnings rate until you claim a benefit. We publish Fund earnings rates at [pss.gov.au](http://pss.gov.au)

Your employer component will increase annually with movements in the consumer price index (CPI).

\*The only exception is where you join an eligible superannuation scheme in which case a transfer of your entire benefit, less accrued surcharge debt, can be paid to that scheme. You can find a full list of eligible schemes at [pss.gov.au](http://pss.gov.au)

## Preserving upon redundancy

If you are made redundant and have not yet attained age 65, you can elect to preserve your benefit.

Subject to eligibility requirements, you may be eligible to access a portion of your benefit and preserve the balance in PSS. If you do this, you will not be eligible to claim a pension benefit in future. Your final benefit will only be payable as a lump sum. For further information, see the **Redundancy** factsheet at [pss.gov.au](http://pss.gov.au) or call us on 1300 000 377.

Any member and/or productivity components preserved in PSS will continue to grow at the Fund earnings rate until you claim the benefit. We publish Fund earning rates at [pss.gov.au](http://pss.gov.au)

Your employer component will increase annually with movements in the CPI.

## Preserving upon age retirement

If you retire on age grounds and have not yet attained age 65, you can elect to preserve your benefit.

Subject to eligibility requirements, you may be eligible to access a portion of your benefit and preserve the balance in PSS. If you do this, you will not be eligible to claim a pension benefit in future. Your final benefit will only be payable as a lump sum. Further information can be found at [pss.gov.au](http://pss.gov.au) or you can call us on 1300 000 377.

Any member and/or productivity components preserved in PSS will continue to grow at the Fund earnings rate until you claim the benefit. We publish Fund earning rates at [pss.gov.au](http://pss.gov.au)

Your employer component will increase annually with movements in the CPI.

## Preserving upon election to leave PSS

As of 1 July 2008, you have the choice to leave PSS and join an accumulation fund. If you do, we will preserve your benefit in PSS, and your employer will make future contributions into an alternative accumulation scheme. For most members, the accumulation scheme they must first join is PSSap. As a member of PSSap, you'll then have choice of fund.

When you leave PSS, you do not have the option of taking a lump sum of your SIS upper limit, or any other portion of your member, productivity or employer benefit. You can roll out any amounts you have paid into the scheme as transfer values.

When you later resign (or are made redundant) from PSS, you may be able to access some or all of your benefit, subject to eligibility requirements.

For more information, please read the **Ceasing PSS membership** factsheet.

## Cash Investment Option

Whilst you are a PSS preserved benefit member you may choose the Cash Investment Option for your taxed accumulation components (member and productivity). For further information, please refer to the **PSS PDS** available at [pss.gov.au](http://pss.gov.au)

## Eligibility for pension option

The pension option is available only if you preserved the entire amount of your defined benefit in PSS.

In any situation where you take part of your defined benefit as a lump sum and leave the rest of your benefit preserved in PSS, you cannot subsequently take that preserved amount as a PSS pension. We must pay it to you as a lump sum.

If, for example, you resign from PSS before minimum retiring age and you choose to take any part of your member component as a lump sum, you must receive the preserved employer and productivity components and the balance of your member component, if any, as a lump sum payment. In other words, you cannot claim a pension.

Similarly, if you choose to preserve your entire benefit in PSS but decide later that you'd like to claim part of your benefit as lump sum, you must receive any remaining preserved benefit as a lump sum payment. Examples of such benefit claims include the member component up to the SIS upper limit or early release provisions.

## Surcharge

The superannuation contributions surcharge is a tax on surchargeable superannuation contributions. In PSS, surchargeable super contributions are your employer productivity contributions, and the contributions notionally paid by your employer in a financial year, while you are a contributor to PSS.

If you accrued a surcharge debt while you were a member (and it remains outstanding when you preserve your benefit) you will have to pay interest on that debt. This will be at the 10-year Treasury bond rate at 30 June each year and remains in place until you clear the debt or when we make your benefit payment. You may nominate the benefit component, pension or lump sum, from which you wish us to recover the debt.

For further information see **The superannuation contributions surcharge** factsheet at [pss.gov.au](http://pss.gov.au) or call us on 1300 000 377.

## Estimating the value of my preserved benefit

The **i-Estimator** is a handy online tool that enables you to estimate your future super benefits. You'll need an Access Number to use this service. If you don't have one, or you've misplaced it, call us on 1300 000 377 and we can give you one over the phone.

## When is the preserved benefit payable?

You (or your dependants, should you die before claiming it) can apply for a preserved benefit from the earliest of the following dates:

- > On reaching your minimum retirement age (generally age 55), provided you have permanently retired from the workforce – but note that any cash lump sum paid to you before preservation age cannot exceed your SIS upper limit
- > at the time of your total and permanent invalidity, if approved by CSC
- > at the time of your death
- or
- > when you reach age 65.

## Can I rollover my preserved benefit?

It is not possible to transfer your preserved PSS benefit to another superannuation scheme or approved deposit fund. You can, however, elect to have your Post-95 Transfer Amounts rolled over to another fund at any time.

If you are a member of an eligible superannuation scheme as a result of your employment, you may elect to have a transfer value comprising your total equity paid to that scheme. This would result in you no longer being a member of PSS.

To have a transfer value paid to another scheme, you must:

- (a) have become a member of an eligible superannuation scheme as a result of your employment  
and
- (b) have preserved your entire benefit in PSS; that is, you have not accessed any part of your defined benefit since you left PSS.

Eligible superannuation schemes include the following:

- > AV Super (previously known as the CAA Staff Superannuation Fund)
- > Defence Force Retirement and Death Benefits Scheme
- > Northern Territory Government and Public Authorities Superannuation Scheme
- > Parliamentary Contributory Superannuation Scheme
- > QSuper
- > Queensland Electricity Supply Industry Superannuation Scheme
- > Queensland Local Government Employees Superannuation Scheme
- > Queensland Parliamentary Contributory Superannuation Scheme
- > UniSuper Accumulation 2 Plan.

## Can I access any part of my preserved benefit?

### For members resigning from Australian Government employment

If you joined PSS before 1 July 1999 and preserved your member component when you left, provided you have not returned to eligible employment, you can take a lump sum of your member component up to the SIS upper limit at any time.

If you do this, we will pay the employer and productivity components and the balance of your member component (if any) preserved in PSS to you later as a lump sum. You cannot convert these components to pension. You may also be able to access some of your preserved productivity or employer components if you are able to satisfy Commonwealth Superannuation Corporation (CSC) that you are in severe financial hardship. Additionally, the Department of Human Services (DHS) may approve the release of part or all of these components on compassionate grounds.

### For members who ceased PSS membership, and are still in Australian Government employment

If your benefit was preserved because you chose to cease your PSS membership, you may be able to withdraw all or part of your preserved benefit from PSS if you subsequently cease your Australian Government employment. Your benefit options at that time will depend on the reason for the cessation of your employment and whether you have satisfied a SIS condition of release.

You can find further information about the early release of preserved benefits at [pss.gov.au](http://pss.gov.au)

## How can I claim my preserved benefit?

To claim your preserved benefit, you will need to contact us. We will send you a benefit estimate and a benefit application form for you to complete and to return to us. Copies of the form are available at [pss.gov.au](http://pss.gov.au)

## What do I need to include with my application form?

For certain types of preserved benefits, you will need to supply certified copies of documents that establish your identity. Details of the number and types of documents required are on the relevant application forms. If you are claiming a pension, you should also include a Tax File Number (TFN) declaration form, which is available from the ATO.

## What happens if I return to Australian Government employment after preserving my benefit?

If you return to Australian Government employment with a preserved PSS benefit and your new employer participates in PSS arrangements, it's a requirement that you become a PSS member again (provided that you do not opt out of PSS and that you meet PSS eligibility requirements).

However, if you return to Australian Government employment on a casual or temporary part-time basis, becoming a PSS member is optional.

If you rejoin PSS, your preserved PSS benefit will cease to apply and you will be credited with a preserved multiple which will be added to your current membership.

If you had chosen the Cash Investment Option whilst you were a preserved benefit member, your funded accumulation components will automatically switch back to the default fund on your rejoining PSS as a contributor.

**Note:** When you re-join the scheme, your Tax File Number (TFN) will be validated with the Australian Taxation Office's (ATO's) records to confirm the TFN provided is yours and correct.

## Where can I get more information?

**EMAIL** [members@pss.gov.au](mailto:members@pss.gov.au)

**PHONE** 1300 000 377

**FAX** 02 6272 9613

**MAIL** PSS  
GPO Box 2252  
Canberra ACT 2601

**WEB** [pss.gov.au](http://pss.gov.au)



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