



The facts about Maximum Benefit Limits

Who should read this?

Any member who would like more information on Maximum Benefit Limits (MBLs).

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What is a Maximum Benefit Limit?

In most cases, you must contribute to the PSS until your potential lump sum benefit has grown to the maximum that is allowed under the scheme's rules. Once you reach this maximum limit you stop contributing to the PSS.

This upper limit is known as the Maximum Benefit Limit (MBL).

From 1 January 2008, MBLs increased (see Table 1), allowing you to accrue a bigger benefit with the PSS.

If you are trying to time reaching your MBL with your retirement date, you now have more flexibility and additional time to reach your MBL.

Table 1 shows the Maximum Benefit Limits that apply from 1 January 2008.

Table 1: MBLs applying from 1 January 2008

Average salary	Maximum Benefit
Less than \$50,000	\$500,000
\$50,000 and over	10 times average salary

The dollar amounts shown in the table above change on 1 July each year by adjusting them to reflect any movement in the Australian Average Weekly Ordinary Time Earnings over the preceding year ended 31 March.

Note: PSS members in the Australian Federal Police are subject to different MBL rates. These members should contact their personnel section for more information.

Example of MBL calculations

Example 1

Steve's Average Salary is \$49,000. This means that his maximum benefit is \$500,000 or, expressed as a multiple, 10.2 times his average salary (i.e. \$500,000 divided by his average salary of \$49,000).

Example 2

Anne's average salary is \$83,000. This means that her maximum benefit is \$830,000 (i.e. a multiple of 10 times her average salary of \$83,000).

Where can you get more information?

EMAIL members@pss.gov.au

PHONE 1300 000 377

FAX 02 6272 9613

MAIL PSS
PO Box 22
Belconnen ACT 2616

WEB www.pss.gov.au

Former MBL members

If you had already reached your MBL on 31 December 2007, you were credited with a Former MBL Multiple. Your Former MBL Multiple is the MBL benefit you would have been entitled to if you claimed your benefit on 31 December 2007 divided by your average salary (on 31 December 2007).

In addition to your Former MBL Multiple you also will accrue benefits from 1 January 2008 based on your elected contribution rate. Your new MBL will be as shown in Table 1.

From the first payday in January 2008, your contribution rate will have defaulted to zero (0%) attracting an employer contribution of 0.11 per annum, unless you have elected to recommence contributions to the PSS.

Warning - This Document Contains General Advice or Information Only

Any advice in this document has been prepared without taking account of your personal objectives, financial situation or needs. Because of this, you should, before acting on any advice in this document, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You may wish to consult a licensed financial planner to do this.

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