



Maximum benefit limits

Who should read this?

PSS members who would like more information on maximum benefit limits (MBLs).

What is in this fact sheet?

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What you should know up front

It is important that you read the disclaimer at the end of this fact sheet. Before making any decisions, please read the **PSS product disclosure statement** and consider seeking advice from a licensed professional such as a financial planner, accountant or solicitor.

What is a maximum benefit limit?

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

This upper limit is known as the MBL.

From 1 July 2009, 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 extra time to reach your MBL.

Table 1 shows the MBLs that apply from 1 July 2009.

Average salary	Maximum benefit
Less than \$55,000	\$550,000
\$55,000 and over	10 times average salary

Example of MBL calculations

Example 1

Steve's average salary is \$49,000. This means that his maximum benefit is \$550,000 or, expressed as a multiple, 10.2 times his average salary (i.e. \$550,000 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).

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 (AWOTE) 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.

Former maximum benefit limit 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. Table 1 will show your new MBL.

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

Where can I get more information?

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